

# **Escaping the growth and jobs treadmill**

a new policy agenda for  
post-coronavirus Europe



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## Foreword

The lessons of this year have been profound in many ways. Not least for the realisation that those whose work matters most have been most sorely neglected by society. The doctors and nurses. The teachers and the carers. The farm workers and the food retailers. The delivery drivers and the cleaners. Those on the frontline of the coronavirus crisis were those whose livelihoods had become untenably insecure in the years of austerity that followed the financial crisis. Overworked, poorly recompensed, under-appreciated: these were the people who turned out to matter more than they had ever been given credit for. The ones whose dedication and hard work stood between society and catastrophe when the virus struck.

How did that happen? How was it allowed to happen? How could we have forgotten such fundamental truths? To answer these questions is to begin to understand where recovery must lie.

Under the yoke of capitalism, labour became just a cost to production, to be subsumed away by ‘efficiency’ and replaced by machines. Work became a penance to be avoided, haunted by poor conditions and impossible productivity targets. Livelihoods turned into a class war between those whose aim was to get rich as fast as possible from the pursuit of profit and those who became ever more dependent on precarious wages. The result is a dystopian paradox. As the economist Fritz Schumacher once pointed out: the ideal for employers is output without workers; the ideal for employees is income without work.

At the heart of this failing lies the uneasy bargain between capital and labour that haunts the modern economy. Growth in the productivity of labour is all that stands between the demands of the stock market and the immiseration of workers. Growth in output is all

that stands between the demand for productivity and the maintenance of full employment. But growth in output has proved disastrous for the planet on which we all depend. Growth in productivity has eroded the slow and essential economics of care. Ecological loss and social precarity are coded into the dynamics of capitalism. Hence the endless treadmill described in this report.

But even as it shone a cruel light on the cracks in our society, the pandemic offered us an object lesson in transformation. With an alacrity as surprising as it was laudable, governments moved to protect people’s incomes through furlough schemes and business grants. Hospitals were built, supply chains were restructured, communities were galvanised. Lockdown curtailed our opportunities. But it sharpened our vision. Growth was set to one side. Health became our priority. The crisis provoked systemic change. But change cannot stop with crisis. Recovery must build on the foundations from this experience. It must learn from the lessons of the past. It must be guided by a vision of a fairer, greener economy.

Livelihoods matter. Not just for the richest in society. But for all of us. Labour matters. Not just as the means to production but as an investment in the building of society. Work matters. Not just as the means to an income but as the tangible manifestation of our commitment to a collective future. Those are the lessons of this timely and essential report.

**Prof. Tim Jackson**

*Director, Centre for the Understanding of Sustainable Prosperity (CUSP)*

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## List of Abbreviations

DAW	Democracy at work
EBA	European Bank Authority
EC	European Commission
EEA	European Environment Agency
EEB	European Environmental Bureau
EFA	European Free Alliance
ESS	European Social Survey
ETUI	European Trade Union Institute
ETUC	European Trade Union Confederation
FEBA	European Food Banks Federation
FTSE	Financial Times Stock Exchange
GDP	Gross Domestic Product
ICT	Information and Communications Technologies
IMF	International Monetary Fund
ILO	International Labour Organization
JG	Job Guarantee
MEP	Members of Parliament
NEF	New Economics Foundation
TUC	Trade Union Congress
UBI	Universal Basic Income
WTR	Working Time Reductions
YFJ	European Youth Forum

## Executive summary

The devastating consequences of the COVID-19 pandemic on the labour market, people's livelihoods, wellbeing and the environment raise an important question: *how do we get out of this mess?*

Going back to the economic status quo before the crisis by boosting economic growth to create jobs is not a recovery but a subsidy of the next pandemic. The current crisis did not break the system, it exposed its fundamental failures. System errors have grown for decades before the influx of the pandemic. Overconsumption and overproduction caused a climate and environmental crisis that is threatening the survival of society as we know it. There is no point in going back to "normal" if "normal" was burning out people and the planet alike.

We show how our economic system can best be depicted as an 'endless treadmill': the growth-driven market system works as long as we become more productive. In this system we need to produce more every year in order to avoid mass unemployment, but that has devastating effects for both the environment and workers. But we also show that different and better policy options are available.

The social and environmental price tag of this system has become untenable. **Our analysis shows how this system results in adverse effects on:**

- 1 livelihoods and inequality through stagnating or even falling real wages for everyone but a small economic elite;
- 2 working conditions through declining job security and precarious employment which is strongly linked to the decline in bargaining power of employees vis-a-vis their employers;

- 3 the environment through job creation in polluting sectors, overproduction and overconsumption;
- 4 leisure time through intensifying pressure to work harder and become more productive;
- 5 meaningful jobs by favouring the most profitable activities over the most socially beneficial.

We further argue that there are reasons to be sceptical that this system can continue functioning. The "endless treadmill" is breaking down because the age of high GDP and productivity growth appears to be coming to an end. **We provide four arguments in defence of this position:**

- 1 general arguments relating to the fact that there are physical limits to compound economic growth on a finite planet;
- 2 supply-side arguments relating to the fact that our economy has increasingly maxed out on all available inputs;
- 3 earth system arguments highlighting the intolerable stress placed on the world's ecosystems by the current economic model;
- 4 demand-side arguments positing that demand for goods and services has increasingly become saturated and cannot keep up with overproduction.

For these reasons, it is imperative to find ways out of the endless treadmill we are caught in by transforming our economic system.

In our current economic paradigm,

an interruption to growth is called a recession. It means unemployment, falling wages and hardship.

But it does not have to involve that. We provide a four step roadmap to decrease our structural dependence on economic growth and job creation and to transition to a positive story about work in a post-coronavirus economy:

- ① we must start by questioning the current fundamentals and debating more sustainable alternatives;
- ② reframe core policy goals to enhance our collective wellbeing;
- ③ move beyond economic growth when measuring the success of our economies, instead using holistic socio-ecological indicators; and
- ④ embrace policies for transition that enable us to escape the endless treadmill summarised in the table on the right.

What?	How?
Policy proposal	Description
<b>Universal Basic Income</b>	Government programme in which every citizen receives a set amount of money on a regular basis
<b>Working time reductions</b>	Collectively agreed reduction of the time spent in employment
<b>Democracy at work</b>	Shift in decision-making power from corporate managers and corporate shareholders to a larger group of stakeholders, mainly workers
<b>The Job Guarantee</b>	State-funded locally administered programme that offers anyone willing and able to work a community job at a socially inclusive minimum wage

Why?			
Decoupling jobs from...	Economic rationale	Moral rationale	Main socio-economic effects
livelihoods	Stabilise the economy and decrease its structural dependence on GDP growth by giving everyone enough to meet their basic needs	Wealth created now owes to inventions and progress made throughout human history, and therefore should benefit everyone	+ Reduced (gender) inequality + Environmental benefits + Meaningful jobs
the 40-hour working week	Stabilise our economic system in the face of the fact that fewer and fewer working hours are needed	Liberate time for people to engage in self-determined activities for individual and societal wellbeing.	+ Better democracies + Environmental benefits + Better health and wellbeing + Reduced (gender) inequality
the concept of ownership and its standard forms of organisation	Tend to discourage risk-taking behaviour and contribute to long-term economically sound decisions impacting overall economic stability	The value of democracy should not be limited to the public sphere, but equally be applicable to our workplaces	+ Reduced inequality + Better democracies + Better health and wellbeing + Environmental benefits
environmental degradation	Eliminate involuntary unemployment, maintain price stability and decouple employment from economic growth	Shift from the idea of work as a duty to work as a right.	+ Meaningful jobs + Environmental benefits + Better health and wellbeing

## Introduction

The coronavirus pandemic is a shock to the daily lives of most people in Europe. A health crisis morphed into a job crisis and then the deepest recession since the 1930s. As supply chains disintegrated, whole sectors collapsed. In Europe alone, 5.5 million jobs were lost by the summer of 2020<sup>1</sup> and the unemployment rate among the under-25s went up three times as fast as the overall EU unemployment rate and is now around 17%.<sup>2</sup> Often the first to lose their jobs are those whose employment was already precarious - sales people, artists, cultural workers, kitchen staff, cleaners and many informal workers. Living in a world where most people depend on income from their labour to get by, the effects of the job crisis are catastrophic.

**Therefore, the most pertinent question of the day is: how do we get out of this mess?**

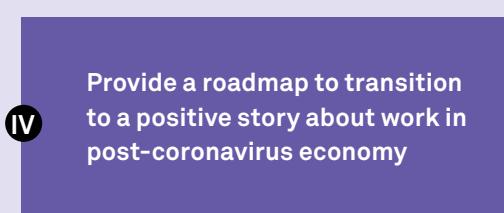
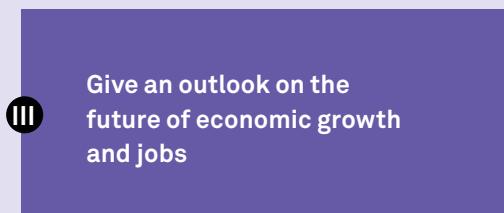
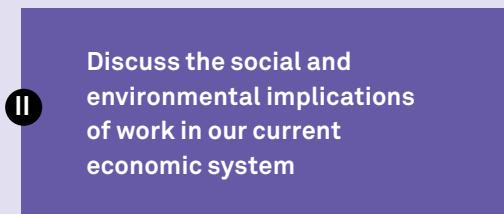
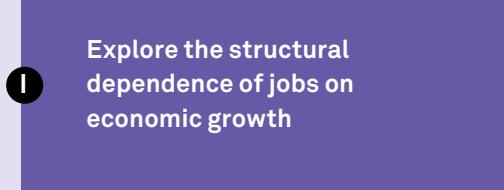
The answer to this question for most policymakers in the EU is to get us back to “normal” as quickly as possible. Proposed recovery measures seek to get the economy back to the status quo it occupied before the pandemic. Trillions of euros are being spent to rescue the economy by boosting growth to avoid spiralling unemployment. Environmental regulations are being suspended or delayed to get the economy back on track. For example, crucial environmental regulations such as food, farming and nature strategies have been delayed. Several corporate lobbies have been actively pushing for regulatory reliefs such as the European car lobby attempts against imposing stricter CO2 emission for cars<sup>3</sup>. Jobs and growth, more than ever, are the answer to the question and the policy mantra of our times.

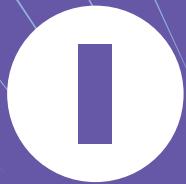
But do we really want to go back to “normal”, with all its abnormal consequences for society and the environment? For most of us, the “normal” before the pandemic wasn’t working. The pandemic is like a spring tide, laying bare the true topography of our fragile economic system. Even before the pandemic inequality was spiralling out of control and most humans are one economic shock away from disaster, while more and more people are either overworked or struggling to survive on their wages. Overconsumption and overproduction have caused a climate and environmental crisis that is threatening the survival of society as we know it.<sup>4</sup>

A key driver for all of this is the pursuit of economic growth at all costs and the dependence of our economies on productivity growth. It’s like being trapped on an endless treadmill: we need to be more and more productive, to produce more and to expand our economies to avoid unemployment. Indeed, it seems policymakers have been unable to choose anything other than going back to “normal” because they fear a situation that would be even worse. Any slow down of economies, such as what we are experiencing, leads to economic downturns, recessions and unemployment. That is why the narrative of “growth equals jobs” dominates the debate.

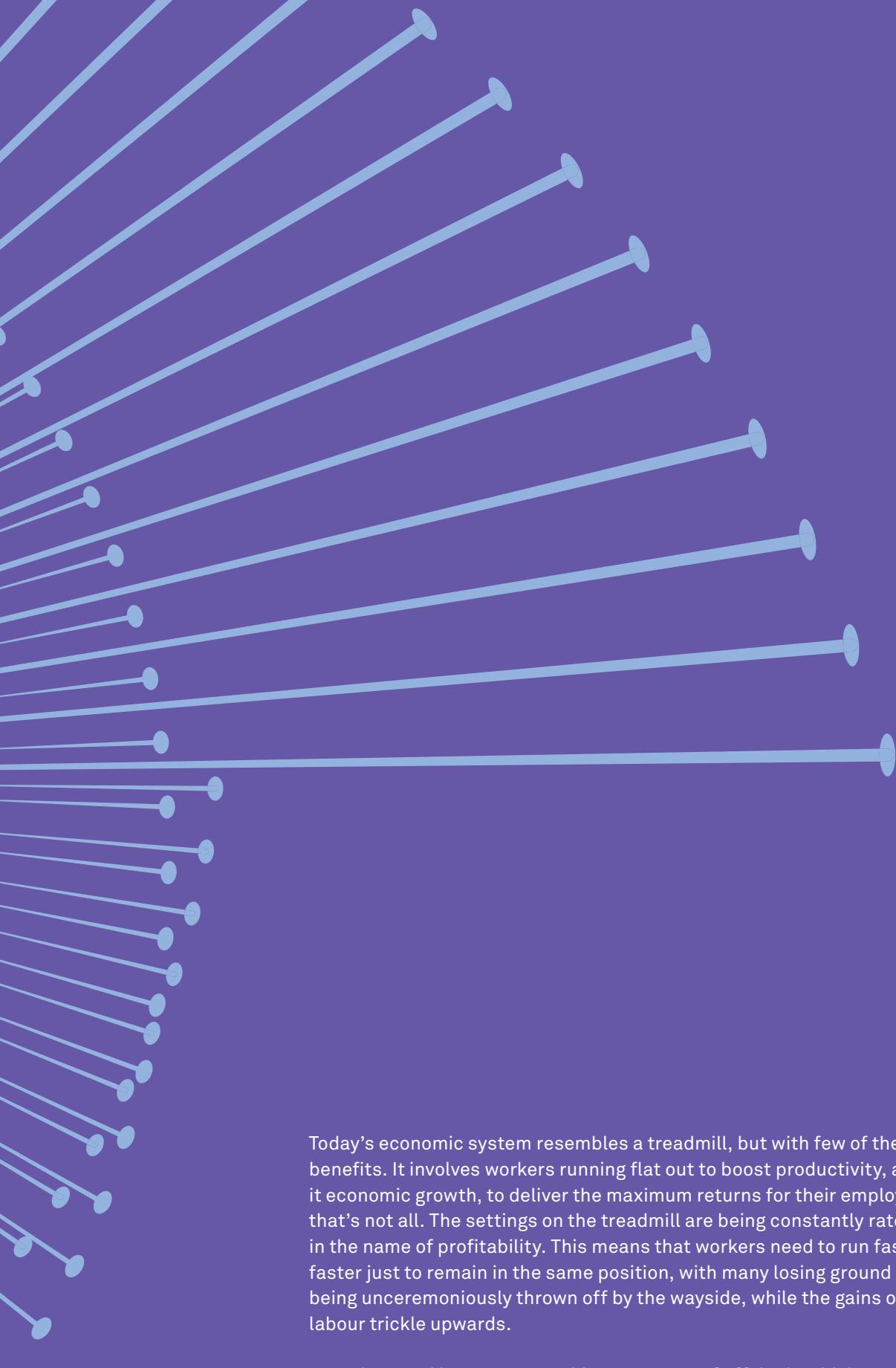
This report argues that there is an alternative to going back to “normal”, and one that will avoid the cliff edge towards which we are accelerating. The existing policy landscape is constrained by economic ideas and tools built for another time.

**In this report, we outline a new policy agenda for post-coronavirus Europe in order to escape the endless treadmill of growth and jobs in four sections:**





**Trapped on  
an endless  
treadmill**



Today's economic system resembles a treadmill, but with few of the health benefits. It involves workers running flat out to boost productivity, and with it economic growth, to deliver the maximum returns for their employers. But that's not all. The settings on the treadmill are being constantly ratcheted up in the name of profitability. This means that workers need to run faster and faster just to remain in the same position, with many losing ground and some being unceremoniously thrown off by the wayside, while the gains of their labour trickle upwards.

To understand how we got to this sorry state of affairs in which workers are pushed to work harder and more productively with more work and fewer benefits and job security, we need to look at how the relationship between labour productivity, economic growth and working hours have evolved since the end of the Second World War, and the ideological and theoretical consideration underpinning this evolution.

## 1.1 Labour productivity

Reflecting the conventional economic thinking about productivity, the Nobel prize-winning American economist Paul Krugman once memorably said that: "Productivity isn't everything, but in the long run it is almost everything. A country's ability to improve its standard of living over time depends almost entirely on its ability to raise its output per worker."<sup>5</sup>

Thanks to rapid technological innovation, the history of modern capitalism has been marked by the invention and introduction of machines that can do the work of many workers or enable individual workers to produce more. In economic terms, this is called increasing labour productivity, i.e. the units of output per unit of labour. As a consequence, ever fewer working hours are needed to produce the same amount of goods and services. Innovations in the ICT sector, for instance, allowed firms such as Facebook, Google, Amazon, or AirBnb to take gigantic market shares while only employing a fraction of the workers required in the legacy sectors they entered or replaced, such as advertising, media or retailing.

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*Productivity measures how efficiently production inputs, such as labour and capital, are being used in an economy to produce a given level of output.<sup>6</sup> In other words, it reflects the ratio of how much we produce (output) to how much we use to produce it (input). Productivity can be measured in many ways. One of the most common productivity measures is labour productivity: gross domestic product per hour worked.<sup>7</sup>*

Businesses have always had an incentive to increase labour productivity. At times of labour shortage, businesses need to increase labour productivity to make up for the shortfall. Further, given that in the Western world, labour is comparatively more expensive is another incentive to increase the output per hour worked. Our current tax regime also places the highest tax burden on labour as opposed to resources and capital that are much less taxed.

Data for selected EU countries shows a continuous increase in labour productivity since the Second World War. While there is a lot of variation over time, most countries increased their labour productivity by up to 5% per year in that period. While an Italian worker produced less than USD 5 worth of services in 1950 per hour, the Italian worker of today produces more than USD 50<sup>8</sup> per hour.<sup>9</sup>

However, labour productivity has been growing at a much slower pace since the new millennium. Many industrialised countries have experienced a series of slowdowns of labour productivity, with the COVID-19 pandemic only being the latest shock in this regard (further explored in Section III). Moreover, the full extent of the negative effects of the coronavirus crisis on productivity are still unknown due to uncertainties regarding the duration, spread and intensity of the pandemic and its ultimate economic fallout.<sup>10</sup> Nevertheless, labour productivity in Europe has been growing rapidly throughout modern history and Germany, for instance, has increased its GDP per hour worked 14-fold over the last seven decades (cf. Figure 1).

5. Krugman, 1994

6. OECD, n.d.

7. Ibid.

8. Number adjusted for inflation

9. Our World in Data, n.d.

10. Dieppe, 2020

## Trapped on an endless treadmill

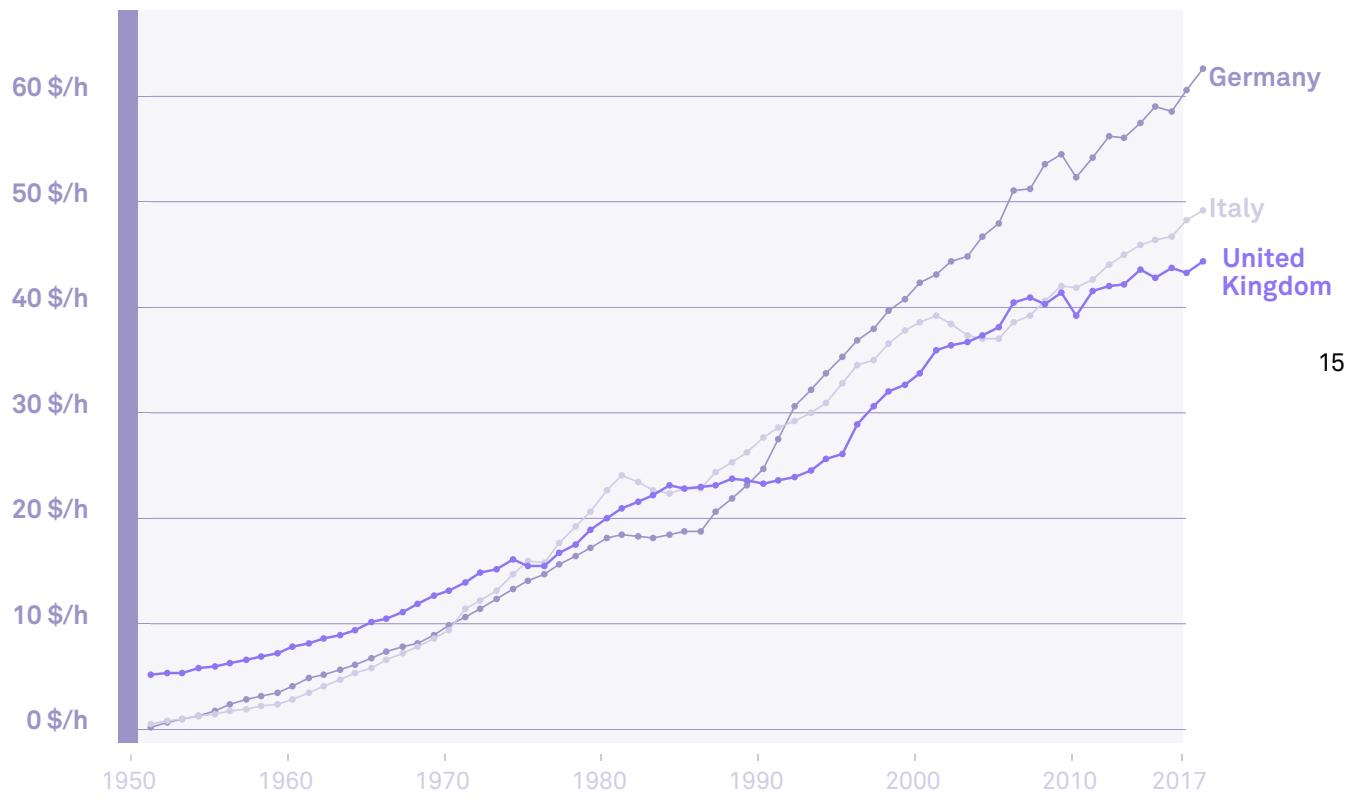


Figure 1: Labour productivity in selected European Countries 1950-2017;  
Source: Feenstra et al., 2015

## 1.2 GDP growth

The Gross domestic product (GDP) refers to the monetary value of the goods and services traded by a given population, often referred to as the standard of living.

The formula is simple: growth in GDP requires growth in labour productivity and/or growth in the number of hours worked. GDP can thus be increased in two ways: work more hours (with the same labour productivity) or increase labour productivity (while keeping the hours worked constant).

The past century has constituted an era of unprecedented growth supported by the injection of cheap energy at high social and environmental costs. As can be seen in Figure 2, GDP growth in Western Europe has increased by a factor close to eight since 1950. Since 2000, GDP growth in the EU averaged 1.43% a year compared with 2.67% from 1971-2000.<sup>11</sup> In 2020, however, the euro area economy will contract by 8.7%, according to the latest reports at the time of writing. The reasons and consequences of this most recent slow down are explored in the latter part of this report. While the growth rate has been particularly high for Western European countries, all European countries have increased their GDP per capita significantly since 1950.

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**Gross domestic product (GDP)** is the most common measure of the size of an economy. Initially developed in the United States in the 1930s, GDP sums up the monetary value, or prices, of all registered final goods and services produced in an economy during a given period of time (such as a quarter or a year) within a given territory (such as Europe). If GDP falls, it is an indicator that the economy (the volume of monetary value) is shrinking and might fall into a recession if it lasts more than six months. GDP only measures what is being traded on the market. It does not reflect unpaid work, disproportionately performed by women, and the informal economy.

There are three main ways of calculating GDP:

- The income method adds everything that has been earned in production (wages, dividends, profits, etc.)
- The expenditure method counts everything that has been consumed/spent by consumers, businesses and governments
- The production method measures everything that has been created by producers

This should lead to more or less the same figure in the end. The calculation is, however, a rather complicated procedure involving a number of difficulties, such as accounting for price developments (deflation or inflation), conversion of currencies in order to compare countries, and the qualitative aspects of the goods or products traded. For this report, we will refer to 'real GDP' as a measure that accounts for price changes (due to inflation/deflation). Thus, the final number reflects GDP increases or decreases due to changes in production and not due to fluctuations in prices.

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11. World Bank, 2020a

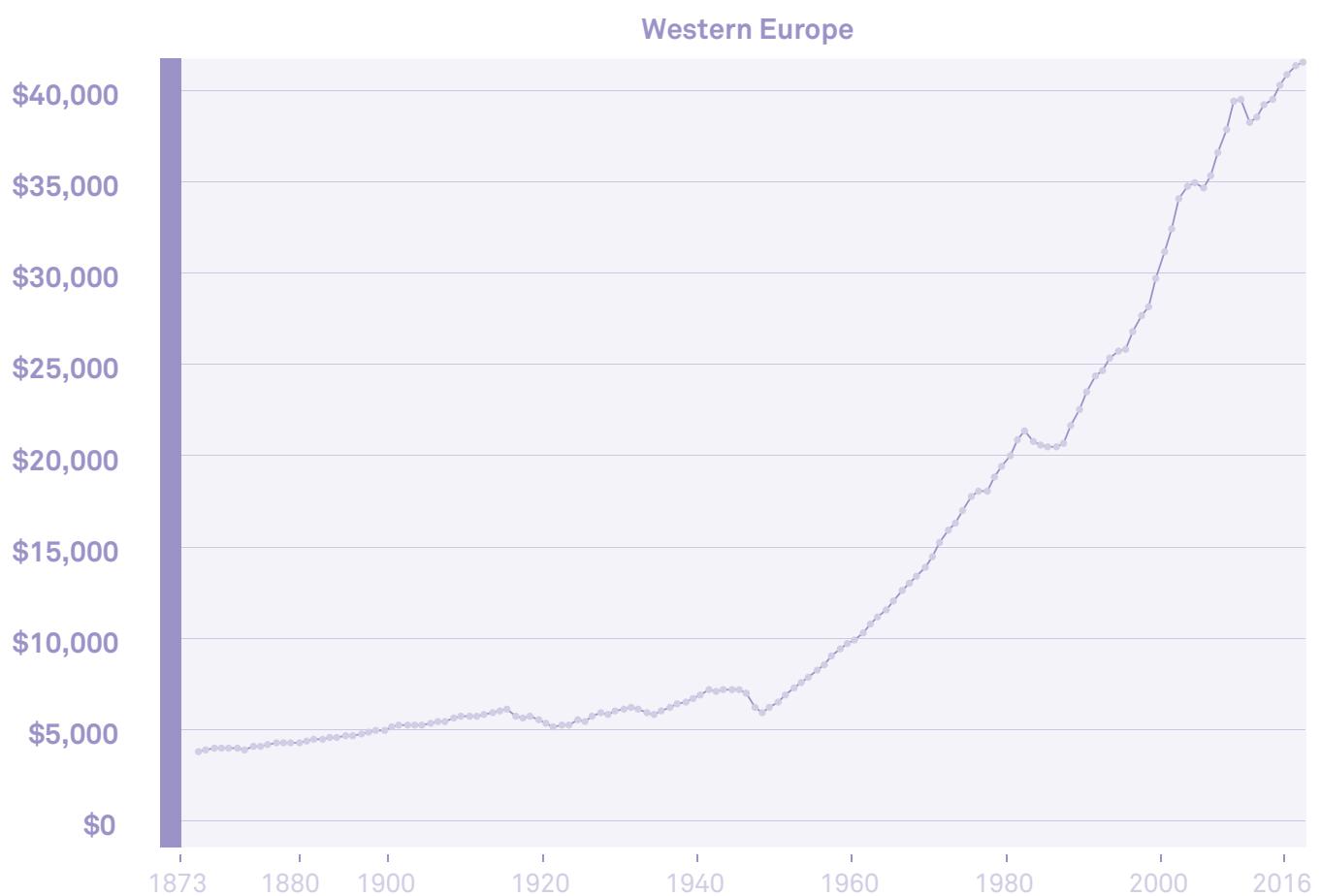


Figure 2: GDP per capita in Western Europe 1873-2016;  
Source: Inklaar et al., 2018

## 1.3 Working hours

Since the beginning of industrialisation, economists and forward-looking thinkers have anticipated an age of leisure thanks to technological advances that make it much easier to fulfill our needs. British economist John Maynard Keynes, for instance, predicted 90 years ago that within a century, we would only work 15h a week on average thanks to increases in labour productivity.<sup>12</sup>



*Work has different meanings in specific contexts. We define labour as any activity requiring considerable time and effort with a specific purpose whether this activity is legal/illegal, voluntary/involuntary, pleasant/unpleasant etc. (such as gardening, writing, lecturing, chores).<sup>13</sup> Work is a specific form of labour whose purpose is to produce goods or to provide services for use by others or for one's own use. We define remunerative or paid work, as work that is done in return for payment/rewards or expectation thereof (such as wages or salaries).<sup>14</sup> If the work is set in a contractual agreement, we define it as employment. Consequently, unemployment is the opposite of employment and can be either voluntary or involuntary. Care work, in the sense of caring for children, family members, household chores, etc. in the private domain or in formal institutions can be either paid or unpaid.*

Contrary to what Keynes predicted, working hours have declined only slightly in Europe (cf. Figure 3). Over the past two decades, working hours have been rather stable and even increased in some OECD countries. Indeed, for many people in wealthy, industrialised societies, the 40-hour working week is still the norm. For example, the average weekly hours worked on the main job in OECD countries only declined from 37.4 to 37.0 in the last decade.<sup>15</sup> In some European countries, people are even working longer hours than a decade or two ago. In Sweden, which is often held up as an example of the progressive welfare state, the average annual hours worked per person rose by 6%, from 1,516 to 1,609, between 1980 to 2015.<sup>16</sup> Besides increasing working hours, people also work longer in their life, as many countries are increasing their retirement age.<sup>17</sup> The increase in working hours has been an attempt to push GDP growth up even as labour productivity has been slowing.

12. Elliot, 2008

13. Parrique, 2019

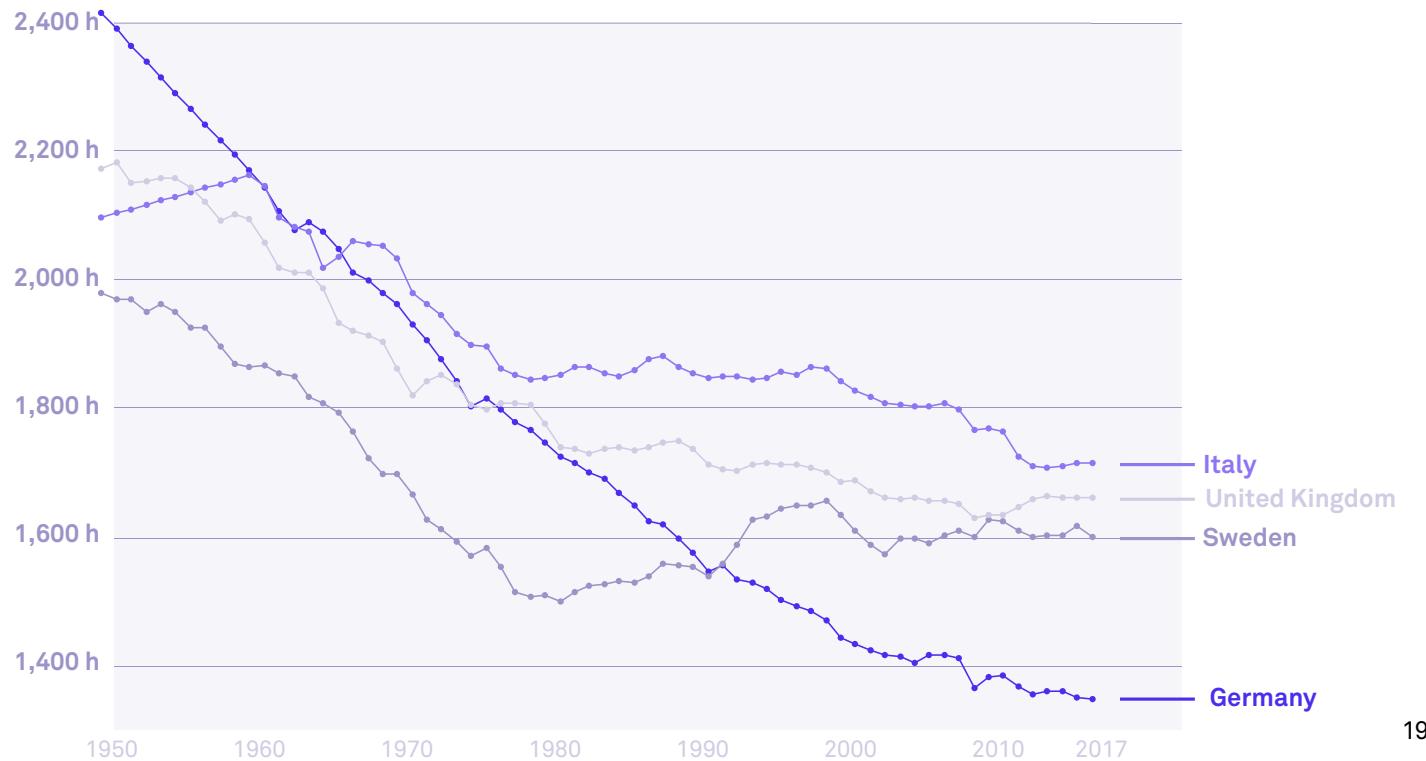
14. Ibid.

15. OECD, 2020a

16. Roser, 2013

17. Eurofound, 2020a

Average annual working hours



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Figure 3: Weekly work hours in selected European countries 1950–2017;

Source: Feenstra et al., 2015

## 1.4 The endless treadmill

Rather than greater productivity enabling humanity to take the slow road, as Keynes foresaw, we continue to hurtle down the speedway to overwork. So why did Keynes's prediction never become reality?

Part of the answer can be gleaned in the figures depicted above. With the rise of labour productivity there is always a seeming choice to make: (1) produce the same output with fewer working hours or (2) keep the working hours constant and produce more. As the historical trends show, generally speaking, we have chosen to produce more rather than enable workers to work less.

The reason for this is that, within our current economic system which is geared towards profit maximisation, we have been helpless to choose otherwise. Imagine a situation in which labour productivity doubles, which it did several times during the last century (cf. Figure 4). Now, the same amount of goods and services can be produced with half the labour. If demand remains stable, meaning that there is no GDP growth, half the workers will no longer be needed. In this scenario, competitive firms in a market economy would be forced to lay off half of the workers in order to stay profitable. While goods are available at a cheaper price, aggregate wages fall and the many redundant workers can no longer afford to buy them, leading to a spiral of inequality, economic calamity and social chaos. Therefore, we are forced to increase output to create new jobs for the otherwise unemployed. This is one of the reasons why our current system is dependent on GDP growth. Whether we need it or not, we must produce and buy ever more stuff to avoid an economic and social disaster.

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We are trapped on an endless treadmill.<sup>18</sup> The growth-driven market system works as long as we become more productive while producing more to keep people employed. A slowing economy, lower productivity growth or rising unemployment all have cascading effects in our current economic system. For example, if the economy slows down due to a crisis, like the COVID-19 pandemic and subsequent policy responses to it, loss in consumer confidence or price shocks, this can lead to unemployment which triggers a negative downward spiral of shrinking spending power, contracting demand, falling investment rates, further exacerbating unemployment and job losses.<sup>19</sup> Anything that poses a threat to economic growth, such as environmental legislation, is therefore considered a "threat to people's livelihoods".<sup>20</sup>

However, even without a crisis, there are serious side effects of the endless treadmill in terms of livelihoods and inequality, working conditions, environmental degradation, the wellbeing of people and the social value of jobs (Section II). Beyond these adverse effects, the age of high GDP and productivity growth may be coming to an end (Section III). For both these reasons, it is imperative to find ways out of the endless treadmill we are caught in by transforming our economic system (Section IV).

18. This is essentially what economists Tim Jackson and Peter Victor call a "productivity trap". Jackson & Victor, 2011

19. Jackson & Victor, 2011

20. Ibid.

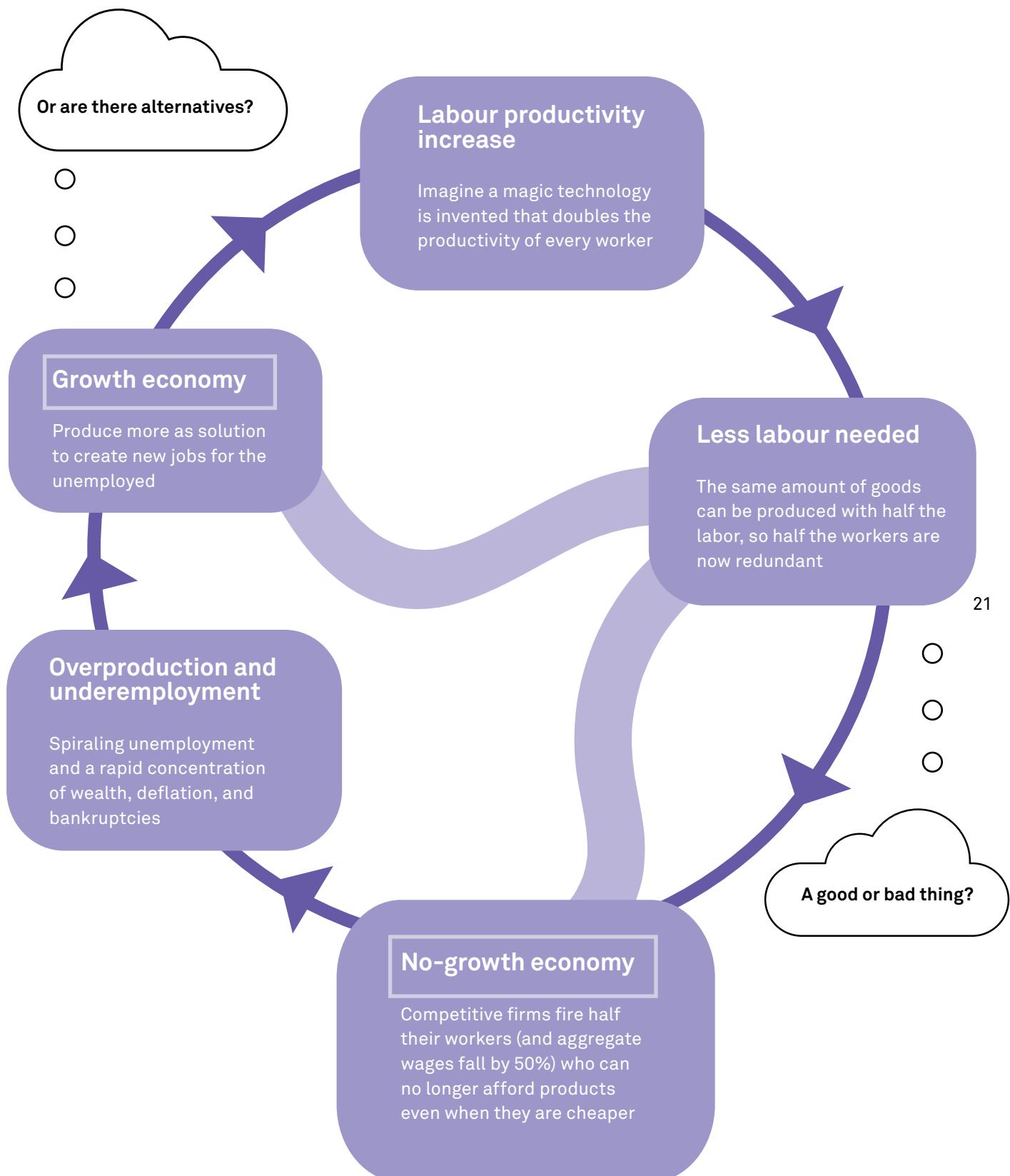


Figure 4: Own Illustration, 2020



# **Adverse side effects of the endless treadmill**

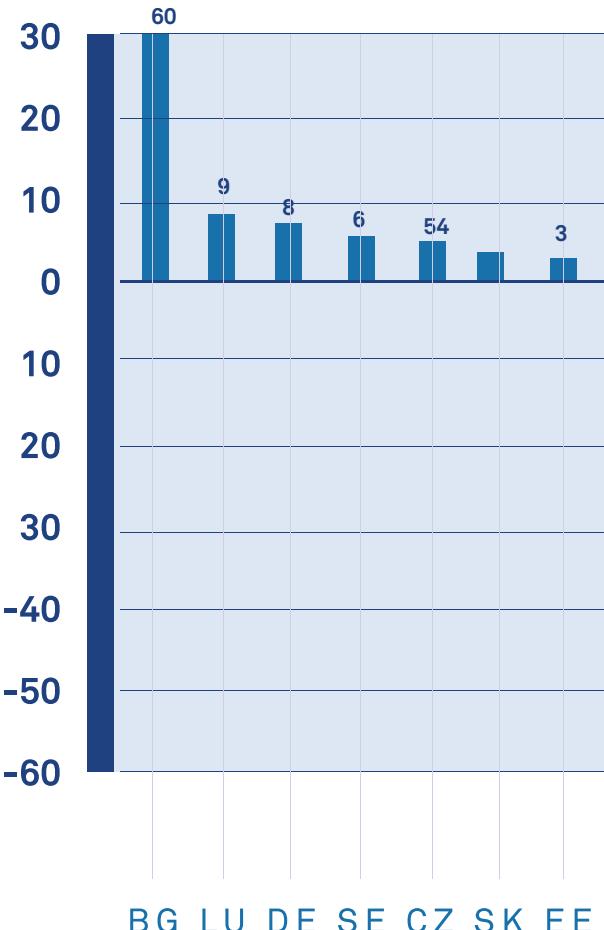


## 2.1 Effects on livelihoods and inequality

Working hard while still losing out is a rather recent but persistent feature of European economies. Basic orthodox economic theory suggests that workers' real hourly compensation should grow in line with their labour productivity over the long-run. If the worker is able to produce more per hour, they should be compensated through a higher wage accordingly. At the same time, through the growth in output, more goods should be available at a cheaper price for the workers to buy with their higher wages to improve their livelihoods. This is because orthodox economic theory equates "wellbeing" or "goodness" with the number of goods and services exchanged through the market, hence the argument for GDP and productivity growth as the holy grail of economic policy making.

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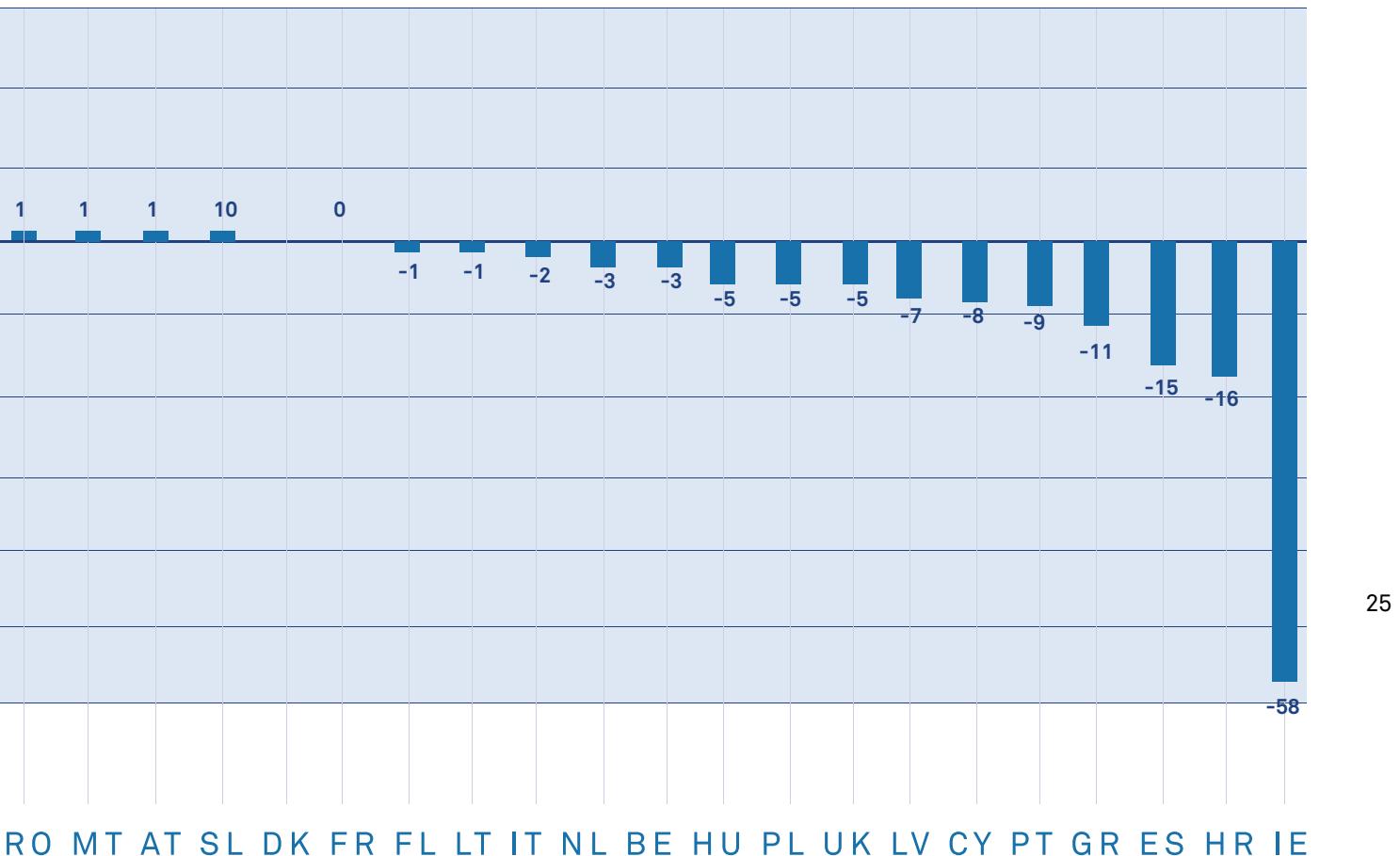
However, most people have a feeling that their living conditions have not significantly improved over the last decades. So while productivity growth has been mostly positive over the past few decades in most advanced economies (cf. Figure 1), real wages have been stagnating and even falling in recent years. A study by the European Trade Union Institute (ETUI) shows that real wages<sup>21</sup> in Europe are following a declining trend. In ten countries, real wages are still at or even below a decade ago. Contrary to what orthodox economic theory postulates, in 15 countries in the EU, real wages lagged behind labour productivity between 2009 and 2018 (cf. Figure 5). In other words, the average worker was not compensated for the wealth they helped to generate, with many rewarded with growing job insecurity.<sup>22</sup>



*Figure 5: Development of real wages vs. labour productivity in the EU (2009-2018).*  
Source: AMECO Database, 2018

21. Real wages refer to income expressed in terms of purchasing power as opposed to actual money received.  
22. Müller, Rasnača & Vandaele, 2019

### Adverse side effects of the endless treadmill



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Not everyone has experienced wage stagnation. A decline in average wage growth hides the fact that some people sucked up the lion's share of the wealth created. For example, a Chief Executive Officer (CEO) is paid between 100 and 300 times more than the average worker.<sup>23</sup> In the United States, CEO pay increased by more than 930% from 1978 to 2016, whereas the salary of ordinary workers only increased by 11% over the same time period.<sup>24</sup> The ratio between CEO and average worker pay for 2018 in the Netherlands was 170:1, in Spain 143:1 and in Germany 136:1.<sup>25</sup>

In addition, the current system tends to exclude and undervalue the work that is most socially valuable, jobs that keep our communities and families together. These are often the worst-paid jobs. This became glaringly obvious during the COVID-19 crisis when the frontline workers who kept society functioning and safe turned out to be underpaid. The market does not reward this kind of work well, and such jobs are consequently undervalued. The income gap is remarkable. Nearly 5,000 bankers across Europe were paid more than EUR 1 million a year, an increase of 43% from 2010 to 2017, despite the financial crisis of 2007–8 triggered by reckless banking.<sup>26</sup> In contrast, the average salary of a childcare worker in Belgium is around EUR 24,000, while in the UK it does not exceed EUR 14,300 per year.<sup>27<sup>28</sup></sup>

These trends exacerbate poverty and heighten inequalities. Stagnating or falling salaries hurt people's livelihoods because most people rely on the wages of their labour to meet their daily needs. Around one in six workers in the EU are low-wage earners.<sup>29</sup> Moreover, low-paid jobs are mostly done by the most vulnerable and marginalised in our societies, such as migrant workers, youth, women and indigenous people, which results in the marginalised becoming even more marginalised. Despite campaigns and efforts to address it, the gender pay gap persists. To illustrate, though two out of every five European workers are women, they are still paid around 16% less than men per hour.<sup>30</sup>

Paid work does not even guarantee an escape from poverty for a significant and rising number of workers in the EU. The proportion of the working poor (people with jobs who do not earn enough to cover their basic needs) in the EU rose from 8.3% in 2010 to 9.5% in 2018.<sup>31</sup> This translates into nearly 20.5 million workers in the EU that lived in households that were poor or close to the poverty line.<sup>32</sup> Beyond the working poor, there are the growing ranks of the unemployed poor. More than 14.4 million EU citizens were without employment in May 2020, with the youth unemployment rate at 15.7%<sup>33</sup> compared with a general unemployment rate of 6.7%.<sup>34</sup>

23. VW-CEO earn 127 times more than the average worker. top ones may make 300 times the pay of typical workers on average (Neuhaus & Obertreis, 2019).

24. De Spiegelaere et al., 2019

25. Statista, 2019

26. EBA, 2019

27. More examples in the study "A bit rich: Calculating the real value to society of different professions" by the New Economics Foundation (NEF, 2009)

28. NEF, 2009

29. EC, 2020

30. EC, 2019

31. That makes around 109.2 million people at risk of poverty or social exclusion by the end of 2018 (equivalent to 21.7% of the EU population) (FEBA, 2019).

32. Peña-Casas et al., 2019

33. Statistisches Bundesamt, 2020

34. Eurostats, 2020b

The primary causes of these trends include a shift in rewards from labour to capital, accelerated by automation, taxation policies, as well as the emergence of “rentier capitalism”, in which many of the world’s largest corporations derive income from the rent of their assets rather than the production of actual goods and services (examples include Amazon, Airbnb and Uber).

In the EU, the share of compensation in the form of wages, salaries and other benefits as a percentage of GDP has been continuously declining since the 1970s and reached an all-time low at the beginning of the century.<sup>35</sup> Businesses have chosen, for the most part, to channel the profits to their shareholders rather than to increase workers’ wages. From 2014 to 2018, shareholder dividends across the top 100 companies in the Financial Times Stock Exchange (FTSE) index increased by 56%, seven times faster than the average wage for UK workers.<sup>36</sup> Income that once went to workers now goes to the owners of capital. In sum, productivity growth no longer drives higher wages and no longer improves the livelihood of the average person in Europe. But the same average person does have to work harder and harder.

Secondly, as shown in the previous section, higher productivity growth in our current economic system can lead to unemployment, unless output is expanded or working hours are reduced. In periods of slower growth or a recession, this tends to lead to mass lay-offs. For example, in the aftermath of the financial crisis in 2008, more than 5.5 million Europeans lost their jobs, with the unemployment rate rising from 7.3% before the crisis to 12% in 2013.<sup>37</sup> The dependence of our economic system on growth makes it extremely volatile. The endless treadmill has done little to improve the average person’s livelihoods, and even less so for women, but once the treadmill stops turning, people’s livelihoods are in peril because most people depend on having a salary to meet their needs.

**While productivity growth has been mostly positive, real wages have been stagnating and even falling in recent years**

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35. Müller, Rasnača & Vandaele, 2019

36. TUC, 2019

37. ECB, 2014

## 2.2 Effects on working conditions and job quality

In order to keep the treadmill going by creating new jobs for the ones lost to productivity increases, in a globalised economy, business owners and many policymakers argue that Europe needs a more flexible workforce. For employers, especially those faced with diminishing profit margins, this means more freedom to hire or fire workers according to production needs and capacity. For workers, this has meant a trend towards precarious employment, such as zero-hour contracts, bogus self-employment, unpaid internships and undeclared work.<sup>38</sup> Labeled as “bifurcation of working time” by the ILO, there is currently an enormous gap in working time, with some working excessive hours and others working short or variable.<sup>39</sup> In addition, according to the European Commission “the overall trend since 2006 indicates growing use of involuntary fixed-term contracts.”<sup>40</sup>

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Non-standard employment is part of the reason for the declining power of trade unions, and with it the relative bargaining power with it the relative bargaining power employees vis-a-vis employers. One in two employees in Europe do not have access to collective interest representation, such as via a work council or trade union. Even in countries with a high level of representation, like Sweden, Finland and Denmark, a considerable minority still has no access to any kind of collective workplace representation.<sup>41</sup> From 1990 to 2015,<sup>42</sup> total union membership in Europe decreased around 29% from 52 million to 37 million members. Union density shows a similar trend. In 1990 every second worker had been unionized, whereas in 2015 this was the case for only one out of four.<sup>43</sup> Our globalised economy further shifts away power from workers to the owners of capital. For example, employers can threaten

to relocate jobs to countries where labour is comparatively cheaper.

Both the primary focus on maximising profits by minimising costs and the demise in the power of trade unions are factors behind the deteriorating quality of jobs witnessed over the last decades. The job quality index from 2005-2015<sup>44</sup> shows a pattern of declining job quality.<sup>45</sup> This can be partly explained by the financial crisis in 2008. However, a study by ETUI further concluded that the resumed growth in employment after the crisis can be described as a bad recovery as a lot of the jobs created were of inferior quality.<sup>46</sup> Low job quality has implications on job safety and health: in 2017 there were around 3.3 million work-related injuries and 3.5 thousand deaths in the EU.<sup>47</sup>

Certain sectors and groups in society are disproportionately affected by declining job quality. Workers in less skilled jobs experience a lower degree of motivation, wellbeing, engagement and satisfaction, as well as increased pressure at work and health problems.<sup>48</sup> In sum, poor quality jobs are bad for society and public health, which ultimately means they are bad for the economy too in the long term.

Another adverse side effect of these developments is that people who don't have reliable and rewarding work environments, who are trapped by economic uncertainty, tend not to make the happiest citizens able to contribute to their communities. Society as a whole suffers as some of the people who drift out of the labour market become more prone to radicalisation. Recent research from ETUI demonstrated how poor social protection policies are an indicator of support for far-right parties.<sup>49</sup>

38. ILO, 2019

39. ILO, 2018a

40. Hatton, 2018

41. De Spiegelaere et al., 2019

42. Latest available data in most countries

43. De Spiegelaere et al., 2019

44. The new one is still in the fieldwork phase

45. Piasna, 2017

46. Ibid.

47. Eurostats, 2019a

48. Eurofond, 2017

49. Vlandas & Halikiopoulou, 2016

## 2.3 Effects on the environment

The pursuit of endless economic growth kills biodiversity, drives climate change and causes environmental degradation, as well as depleting the resources we need to secure the material future of our children and grandchildren. Since all production requires energy, endless economic growth means endless growth in energy use, which makes it hard to decarbonise the economy. The more goods we produce, the more bads we generate, in the form of waste and pollution.<sup>50</sup> While the argument that GDP growth leads to environmental degradation is well established and further elaborated on in Section III, there are two other ways in which the endless treadmill adversely affects the environment.

The first factor is the tendency to create jobs in environmentally harmful sectors, which are often the sectors with high labour productivity growth. In a market economy, jobs are generally created in the sectors that promise the highest return on investment and these are often unsustainable sectors because the social and environmental costs are not accounted for. While the European service sector makes up more than 70% of both EU output and jobs, the industry and power sector is seen as an “engine for economic growth and employment”. The power sector and the auto manufacturing industry employ some 2 million jobs each.<sup>51</sup> Extractive industries employ around 417,000 people,<sup>52</sup> and the construction sector 14.7 million.<sup>53</sup> Many other jobs in Europe depend, directly or indirectly, on the fossil fuel value chain and on greenhouse gas-intensive industrial processes. This does not even include the environmentally harmful jobs that are being created outside of Europe due to the shift of our manufacturing industries to poorer and less-regulated countries.

Trashing the environment has severe consequences for jobs and sectors which directly depend on nature. More than 1.2 billion jobs worldwide directly and indirectly rely on the effective management and sustainability of a healthy environment.<sup>54</sup> First of all, many jobs rely on the provisioning services (raw materials, water, crops, spices) provided by our ecosystems such as agriculture and fishing. Thus, increasing scarcity and degradation of the environment threaten those jobs, as do unsustainable practices within these sectors themselves. Secondly, environmental hazards such as storms and extreme weather events associated with global warming, negatively affect many jobs which rely on a stable and predictable climate. Lastly, environmental risks disproportionately affect the most vulnerable workers in our societies.<sup>55</sup>

Contrary to popular belief, the service sector also has a significant environmental footprint through its indirect embodied material, transportation and energy needs that use up natural resources, generate greenhouse gases and cause pollution.<sup>56</sup> For example, online platforms and services also require software, hardware and energy. The bottom line is that small-scale modes of production are usually not the problem, but the large-scale production and their impacts on the environment exceed sustainable levels.

The second factor is how working hours affect the environment. A study found that working time significantly increases the ecological footprint and carbon emissions of 27 high-income OECD countries.<sup>57</sup> Further, if employees in the EU-15 (the members of the European Union prior to enlargement) worked as many hours as those in the United States, they would consume at least 15% more energy.<sup>58</sup>

50. Knight, Rosa & Schor, 2013

51. Eurostats, 2020c

52. Eurostats, 2020d

53. Eurostats, 2019b

54. ILO, 2018b

55. Ibid.

56. Knight, Rosa & Schor, 2013

## The pursuit of endless economic growth kills biodiversity, drives climate change and causes environmental degradation

Longer working hours are naturally linked with the other factors in the endless treadmill.

The compositional effect describes the link between consumption and working hours. Time constraints due to full-time employment or work can lead to unsustainable consumption patterns and behaviour. For example, eco-friendly activities or low-impact consumption practices, such as cooking at home or going to a Community Supported Agriculture farm to harvest your own vegetables, usually require more time than most workers simply do not have.<sup>59</sup> Following the mantra “time is money” and the need to be ever more efficient and productive, subject to short-term deadlines, work time has rapidly increased.<sup>60</sup> A study of French households showed that longer working hours create time scarcity that encourages the consumption of energy-intensive goods and favours unsustainable lifestyles.<sup>61</sup> We are systematically locked into a work-and-spend cycle. We are taught to live to work, work to earn, earn to consume<sup>62</sup> - and do it fast in order to have more time to work, to earn more, to consume more - with increasingly catastrophic consequences for our environment.

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57. Ibid.

58. Rosnick & Weisbrot, 2006

59. Knight, Rosa & Schor, 2013

60. Rosa, 2013

61. Devetter & Rousseau, 2011

62. Schor, 1992

## 2.4 Effects on leisure time and wellbeing

The endless treadmill does not allow an increase in leisure time, even though it has been proven to be an important factor in peoples' wellbeing (cf. Section I). Beyond the normal but long 40-hour working week, around a tenth of employees in OECD countries routinely work 50 hours or more each week.<sup>63</sup> Men are twice as likely to work longer hours than women. However, these numbers exclude the time spent on unpaid work, of which a disproportionate share is done by women (see below). Research further suggests that these official numbers do not properly account for the time spent checking emails and text once the official work day is over nor for unreported overtime (alongside social media and smartphones, workers are under pressure to go the extra mile).<sup>64</sup>

Both long working hours and short working hours in marginal part-time employment have devastating effects on human health, wellbeing and the environment. Numerous studies have confirmed negative short-term effects, such as high levels of stress, fatigue and increase in unhealthy habits, including smoking, alcohol abuse and unhealthy diets. Long-term effects include higher risks of developing cardiovascular and muscular diseases, chronic infections and mental illnesses.<sup>65</sup> Overwork, fatigue and stress also increase the risk of occupational accidents and injuries.<sup>66</sup>

This has led to a situation in which almost one in every three employees in OECD countries experiences job strain, situations where the demands of work exceed the worker's capacities.<sup>67</sup> Probably everyone of us knows at least one friend or colleague who has suffered from work-related mental illnesses such as burnout. In Sweden, a country famous for flexible working conditions and strong policies in parental leave and subsidised child care, the number of people diagnosed with chronic stress-related illnesses has skyrocketed by 144% since 2013. In fact, this category of illness was the most common reason for Swedes to be off work in 2018.<sup>68</sup>

Long working hours have a significant impact on the amount of time we have left for things that improve our wellbeing and that matter to us - family, friends or engaging in hobbies and activities that do not generate an economic return but are central to our life satisfaction. The impact of COVID-19 and lockdowns on working hours and job security that many Europeans experienced will likely exacerbate these negative effects.<sup>69</sup>

63. OECD, 2020b

64. Savage, 2019

65. ILO, 2018

66. Johnson & Lipscomb, 2006

67. OECD, 2020c

68. Savage, 2019

69. Eurofound, 2020b

## 2.5 Effects on meaningful jobs

The endless treadmill only distinguishes between productive jobs and unproductive ones. The social utility or meaning of the job to the worker or the community is deemed irrelevant. The market economy provides incentives only for those activities that produce an increase in the output or sale of profitable goods and services. In contrast, there is a vast amount of important work that is essential to our economies that does not necessarily produce salable products. However, since this is not contributing to GDP growth, there is no incentive in the current system to promote these activities. It therefore hampers the creation of meaningful work and meaningful jobs.

On the one hand, we are seeing many jobs being created that have a questionable purpose. Anthropologist David Graeber termed the phrase “bullshit jobs” in his eponymous book. He observed that more and more people are questioning the utility of their jobs. A yougov poll in the UK, for instance, found that 37% think they have a job that is utterly useless.<sup>70</sup> According to Graeber, bullshit work is “a form of paid employment that is so completely pointless, unnecessary, or pernicious that even the employee cannot justify its existence even though, as part of the conditions of employment, the employee feels obliged to pretend that this is not the case.”<sup>71</sup> These jobs are found in both the service and administrative sectors, such as in the creation of entirely new industries, including novel financial services or telemarketing and the ones that are needed to sustain the ones above because we simply don’t have time to do them ourselves such as dog washer, all night pizza delivery. Another aspect, that is not being reflected in unemployment statistics, is the fact that there is an increasing number of jobs that underutilise<sup>72</sup> workers skills.<sup>73</sup>

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On the other hand, jobs are being squeezed that naturally have lower productivity growth, but are meaningful for both society and workers. The COVID-19 pandemic has shown us some of the jobs which are relevant for our system to function in an emergency: healthcare workers, farmers, supermarket workers, and caregivers, to mention but a few. Though they have been the heroes of the lockdown, they have largely not been recognised financially. Moreover, our system, largely based on marketised employment, does not generally recognise caring and reproductive activities that are often unpaid but essential for the functioning of the economy and society.<sup>74</sup> Care and reproductive activities include child and elderly care, housework and midwifery.

There are many other types of work and entire sectors that are extremely valuable to society and meaningful to individuals that cannot be monetised or lose a central tenet of their *raison d'être* when they are undertaken for profit. The medical profession is an obvious example, as are non-profit organisations in what has become known as the Third Sector. The benefits of some jobs and professions are almost entirely intangible - they give life meaning, connect us with each other, help us see the world in new ways, provide the soundtrack to our days, lend us purpose or simply multiply the sum of human happiness. One shining example in this regard is the culture and entertainment sector.

While the lucky elite of artists and performers employed at the more commercial and popular end of the scale can accumulate vast fortunes, the vast majority of people working in culture lead a hand-to-mouth existence, sustained by their passion for what they do. The situation has considerably worsened during the COVID-19 pandemic, with the culture sector threatened with collapse in many countries.

70. Dahlgreen, 2015

71. Graeber, 2013

72. Underutilization: A situation in which an individual is not able to utilise fully his or her skills and abilities in his/her current job (Cedefop, 2015).

73. Cedefop, 2015

74. Our economies are so to say separated in a productive sphere that includes all the market goods and services, and in a reproductive sphere, the non-monetized, unpaid, and unrecognized caring activities (largely invisible for the economy). As women had been historically responsible for the reproductive or maintenance economy, the impacts of this divide are still present today.





**The endless  
treadmill  
breaks down**



The endless treadmill is based on the conviction that growth in labour productivity and economic output can continue indefinitely. We have become used to the idea that economic growth is normal, desirable and necessary. This worldview is supported by orthodox economic theory that does not take the functioning of ecosystems into account. But it makes no rational sense. As the English-born American economist Kenneth Boulding once quipped: “Anyone who believes that exponential growth can go on forever in a finite world is either a madman or an economist.”

Today, most academics agree that economic expansion of the real economy has its limits. The question is therefore not if growth will come to end but rather when. We argue that the EU and other industrialized economies have reached “peak economy”. However, we do not see this as a reason for despair, but as an opportunity for a new paradigm.

There are several reasons why GDP growth rates in Europe are likely to dip. These include general reasons relating to the nature of growth itself and the debt cycle; the supply-side theory that our economies have maximised or nearly maximised the exploitation of all available inputs or productive capacity; biophysical limitations to growth and the increasing prevalence of crises as a result of growth; and demand-side explanations arguing that markets are increasingly saturated and inequality is a further drag on possible growth. The treadmill is slowly grinding to halt. All along it is crucial to keep in mind that what we usually call obstacles to growth are in fact opportunities for transformation to address the adverse effects explored in the previous section, on which we will elaborate in Section IV.

## 3.1 General arguments

To understand why growth is ever harder to achieve, one needs to understand the exponential function. According to the International Monetary Fund (IMF), we need to grow the global economy at around 3% annually just to keep the treadmill turning. To expand economic activity by 3% means the equivalent of adding, each year, more than the entire global economy of 1970 - all the goods and services produced and consumed globally - on top of our current economy.<sup>75</sup> Understanding compound growth is key to understanding why it gets ever more difficult to achieve high growth rates. If 3% is our desired annual growth rate, we will need to increase the size of the economy by 800% over a period of 70 years.<sup>76</sup>

Another drag on economic growth is its byproduct of ever increasing debt. A literature review on the topic concludes that every study except two finds that high levels of government debt hurt economic growth.<sup>77</sup> Countercyclical fiscal policies measures to reduce debt burden, in turn, inhibit a government's ability to increase public spending to create growth creating a vicious cycle. This is essentially the situation the world economy has occupied for the last several years. In the euro area, the government debt to GDP ratio has been above 80% since 2009.<sup>78</sup> Private debt is another drag on growth by limiting consumer demand who spend money on service debt payments which could have otherwise been spent on consumption. In fact, in the past 20 years, private sector debt accumulation has been on the rise in many EU countries.<sup>79</sup> While orthodox economists would argue that these are the natural boom-and-bust cycles of the economy, others believe that aside from a small temporary rebound we won't go back to growth after the current recession.

**To expand economic activity by 3% means the equivalent of adding, each year, more than the entire global economy of 1970**

75. According to World Bank data, global GDP was 2.96 trillion \$ in 1970. In 2019 it was 80.7 trillion \$. A current growth rate of 3% therefore equals in addition of 2.42 trillion \$ (World Bank, 2020b)

76. The doubling time can be calculated through this formula:  $70 / (\text{growth rate})$ . With 3% growth rate, it thus takes roughly 23 years for the economy to double its size. In another 23 years, the economy doubles again, meaning that after 46 years later, the economy is 4 times its original size. After another 23 years, or roughly 70 years in total, the size of the economy has increased by a factor of 8.

77. Salmon & de Rugy, 2020

78. Eurostat, 2020

79. Mika & Zumer, 2017

## 3.2 Supply-side arguments

Besides these general arguments, supply-side economic theory poses serious questions about economic growth and suggests that GDP growth has reached its peak because the economy has already maximised the exploitation of all available inputs or productive capacity. These inputs are labour (population), technology and capital.

In neoclassical economics, the factors determining potential growth are population growth and technological progress. Population growth has slowed in Europe over the last decades. While the overall growth rate in 1960 was 8.1% it has reached 2% in 2019, notably only due to increasing migration as the natural growth rate has been negative at -1.1%.<sup>80</sup> Furthermore, in most advanced economies, the demographic structure of an ageing population has resulted in an increase in the ratio of non-working people vis-a-vis working people, which has the additional effect of exacerbating societal challenges, such as the sustainability of pension and healthcare systems.<sup>81</sup> As seen in the European Commission's Ageing Report, both the working-age population and the number of employed people has been falling at a faster rate since the 2008 crisis. The ageing population in Europe is expected to further accelerate rapidly from 2025 onwards.<sup>82</sup> A smaller working population results in smaller potential rates of economic growth.

There is not only a limit to the number of working age people, there is also a limit to their capacity to get smarter, faster and more efficient in the work they do, the cornerstones of labour productivity. Most economists consider labour productivity the most important source of long-run economic growth

(cf. Section I). Even with the rise of ever new technologies there has been a relative decline in the growth of labour productivity. Labour productivity growth in the euro area has long been relatively low, even before the recent global slowdown. Over the period 2008-16, annual growth in euro area labour productivity per person employed slowed to an average of around 0.5% (based on a three-year moving average), from an average of around 1.1% over the course of the decade to 2007.<sup>83</sup> The reasons are wide-ranging but foremost structural and irreversible in nature, such as the shift from manufacturing to services which have less potential for productivity improvements.

The supply-side arguments put forward to explain stagnation emphasise the significance of reduced potential growth influenced by these two factors. In numbers, potential growth in the euro area has declined substantially from an annual average of 2% in the decade before 2008 to approximately 0.5% between 2009 and 2014.<sup>84</sup> While there has been a slight increase in potential growth, long-term growth potential for the euro area is projected to be between 0.21 and 0.28% up to 2060.<sup>85 86</sup>

Finally, while neoclassical economics ignores natural and social capital as input factors, their exhaustion constitutes perhaps the primary reason for the end of growth from a supply-side perspective. Put simply, economic growth requires the expansion of the monetary realm into new territory and the conversion of natural capital into products and human relationships into services, but there is hardly anything left to convert. Today, the impasse in our ability to convert nature into commodities and relationships into services is not temporary

80. Eurostats, 2020f

81. YFJ, 2018

82. Eurostats, 2019

83. ECB, 2017

84. Gordon, 2015

85. 2024-2033: 0.21%, 2034-2043: 0.25%, 2044-2053: 0.26%, 2054-2060: 0.28%

86. McQuinn & Whelan, 2016

## Put simply, economic growth requires the conversion of natural capital into products and human relationships into services, but there is hardly anything left to convert

as we are facing peaks or have faced peaks in production not only in oil, but also in food, water and so on.

With the increasing marketisation of society, there are fewer and fewer things we do for each other that we don't pay for already. We are, in fact, entering the phase of surveillance capitalism, where we are becoming the resource that is being extracted. This is a consequence of that fact that "with so little left that could be commodified, the last virgin territory was private human experience."<sup>87</sup> Personal data are being commodified to not only predict our behaviour but also to influence and modify it. In other words, we are reaching "peak-everything".<sup>88</sup>

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87. Kavenna, 2019

88. Term borrowed from <https://richardheinberg.com/bookshelf/peak-everything>

### 3.3 Earth system arguments

The consequences of the expansion of the monetary realm is that we are increasingly living beyond earth system limits. Chasing economic growth requires the continued expansion of production of goods and services. All this requires energy and the input of raw materials, which makes it very hard to decarbonise the economy. A rise in GDP normally goes hand in hand with increasing pollution, greenhouse gas emissions, biodiversity loss and other adverse effects on our life support systems.

While some have argued that it is possible to grow the economy without hurting nature, this claim, also known as “green growth”, has been debunked as a myth and ill-suited policy objective. There is no empirical evidence supporting the existence of an absolute, permanent, global, substantial and sufficiently rapid decoupling of economic growth from environmental pressures. In most cases, decoupling is relative or weak. For example, reduction in CO<sub>2</sub> emissions may occur locally and periodically but they are not fast enough to compensate for global increases and exported emissions. According to an European Environment Agency (EEA) report a 22% absolute carbon emission reduction between 1990 and 2016, but would need to be increased 5-fold to meet a -95% mitigation target for 2050.<sup>89</sup>

There are several reasons why decoupling is extremely unlikely to happen in the future. These include rising energy expenditures<sup>90</sup>, rebound effects<sup>91</sup> and the limited potential of recycling large proportions of our waste.<sup>92</sup> This observation has been affirmed by some of the EU’s own institutions. For instance, the EEA recently concluded that: “Europe will not achieve its sustainability vision of ‘living well, within the limits of our planet’ simply by promoting

economic growth and seeking to manage the harmful side-effects with environmental and social policy tools.”<sup>93</sup>

While it is obvious that there can be no growth on a dead planet, the medium-term effect of environmental degradation is the increasing prevalence of crises that have an impact on our global economy, ecology and ecosystems. The COVID-19 crisis is just the latest of a series of environment related crises in recent decades. The climate emergency is already exacting a heavy economic price tag. In the decade from 2003 to 2013, natural disasters cost USD 1.5 trillion in economic damage globally. It is now estimated that the average annual economic losses from natural disasters have reached USD 250-300 billion as a result of lost investments and reductions in consumption and employment.<sup>94</sup>

The growth of these costs are already locked-in for at least the next decade for a very simple and often overlooked reason. Between emitting CO<sub>2</sub> and the maximum warming response there is a time lag of around ten years.<sup>95</sup> Given the rise of CO<sub>2</sub> emissions over the past ten years, with 2018 and 2019 constituting another two years of all-time record highs,<sup>96</sup> the situation is set to worsen in the coming ten years. Add to this the feedback loops that will strengthen global warming even if humanity doesn’t do anything and it soon becomes clear that this is a tsunami that will keep getting bigger for decades to come. Additionally, a modelling simulation commissioned by Members of Parliaments (MEPs) from the Green/EFA group found that a post-growth pathway was the only scenario to achieve 80% greenhouse gas reductions by 2050, which is the lower zero net emissions ambition of the European Green Deal.<sup>97</sup>

89. Parrique et al., 2019

90. When extracting a resource, cheaper options are generally used first, the extraction of remaining stocks then becoming a more resource- and energy-intensive process resulting in an increase in total environmental degradation per unit of resource extracted (Parrique et al., 2019).

91. The rebound effect describes the observation that efficiency gains from savings in energy use are offset by increased use or increased consumption with the money saved. An example of the rebound effect is the way in which fuel efficiency improvements in passenger cars have made driving cheaper, resulting in users driving more or buying other products with the money saved (Parrique et al., 2019).

92. Parrique et al., 2019

93. EEA, 2019

94. FAO, 2018

95. Ricke & Caldeira, 2014

96. Chasing productivity growth means chasing continual expansion of production. All production requires energy. So chasing endless productivity growth means endless energy use.

97. D’Alessandro et al., 2018

## 3.4 Demand-side arguments

Orthodox perspectives on demand-side economics claim that stagnation stems from excessive savings and reduced investment that push the real interest rate downwards, therefore resulting in a situation of low demand and low growth. This is precisely the situation the eurozone, like most Western countries, has faced in recent years, with interest rates near zero.

Missing from this analysis is how the widening of inequality caused by our economic system also contributes to a lack of demand. French economist Thomas Piketty has shown empirically that returns on capital have been stable at around 5% per year and, therefore, consistently higher than increases in wages and production. This means that the wealth and income gap between those who own capital and those who only own their labour has been expanding.

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Inequality, in turn, dampens growth. A dollar given to a poor man multiplies faster, Keynes observed, than a dollar given to a rich man. The reason is that less wealthy people are more likely to spend larger parts of their income to satisfy their needs, whereas the rich are more prone to save a greater percentage of their wealth, which negatively affects demand and hence economic growth. Put to test by the OECD, this was found to be true for its member countries.<sup>98</sup>

The heterodox demand-side perspective rejects the idea that natural demand can never be sated, that it is infinitely (upwardly) elastic and stagnation merely caused by excessive savings and reduced investments. In fact, it is the endless supply of new markets, new needs, and new desires that is a pipe dream. Overproduction is the primary problem from this perspective as it gets harder and harder to invent new wants that can be met with new products and services in increasingly saturated markets.<sup>99</sup>

**The endless supply of new markets, new needs, and new desires is a pipe dream**

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98. OECD, 2014

99. Argument is for instance laid out in "Sacred Economics" by Charles Eisenstein



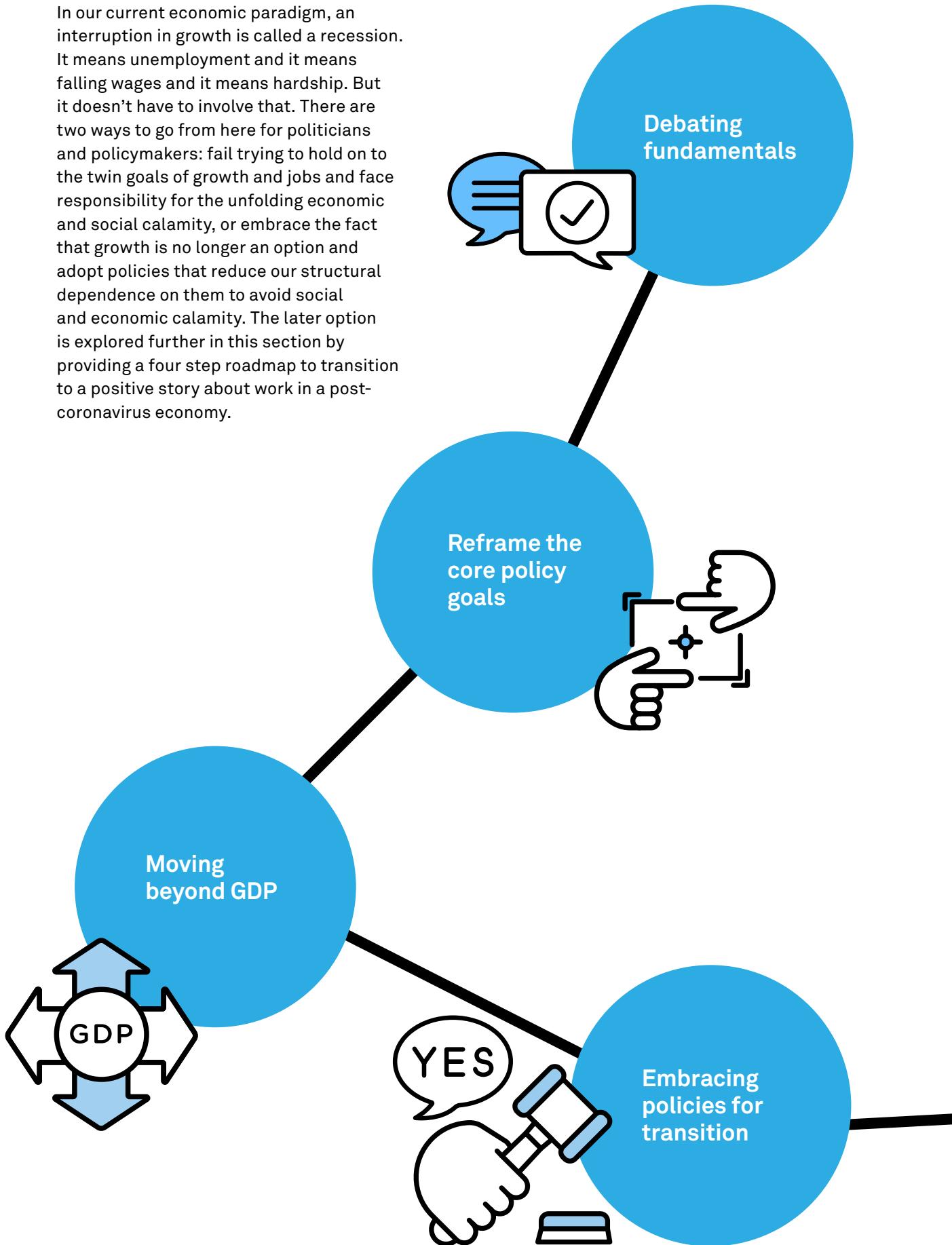


# **Escaping the endless treadmill: a new policy agenda for post- coronavirus Europe**



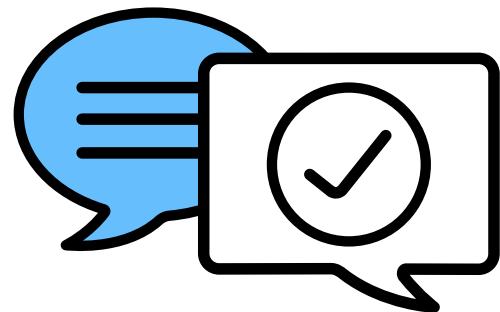
In our current economic paradigm, an interruption in growth is called a recession. It means unemployment and it means falling wages and it means hardship. But it doesn't have to involve that. There are two ways to go from here for politicians and policymakers: fail trying to hold on to the twin goals of growth and jobs and face responsibility for the unfolding economic and social calamity, or embrace the fact that growth is no longer an option and adopt policies that reduce our structural dependence on them to avoid social and economic calamity. The later option is explored further in this section by providing a four step roadmap to transition to a positive story about work in a post-coronavirus economy.

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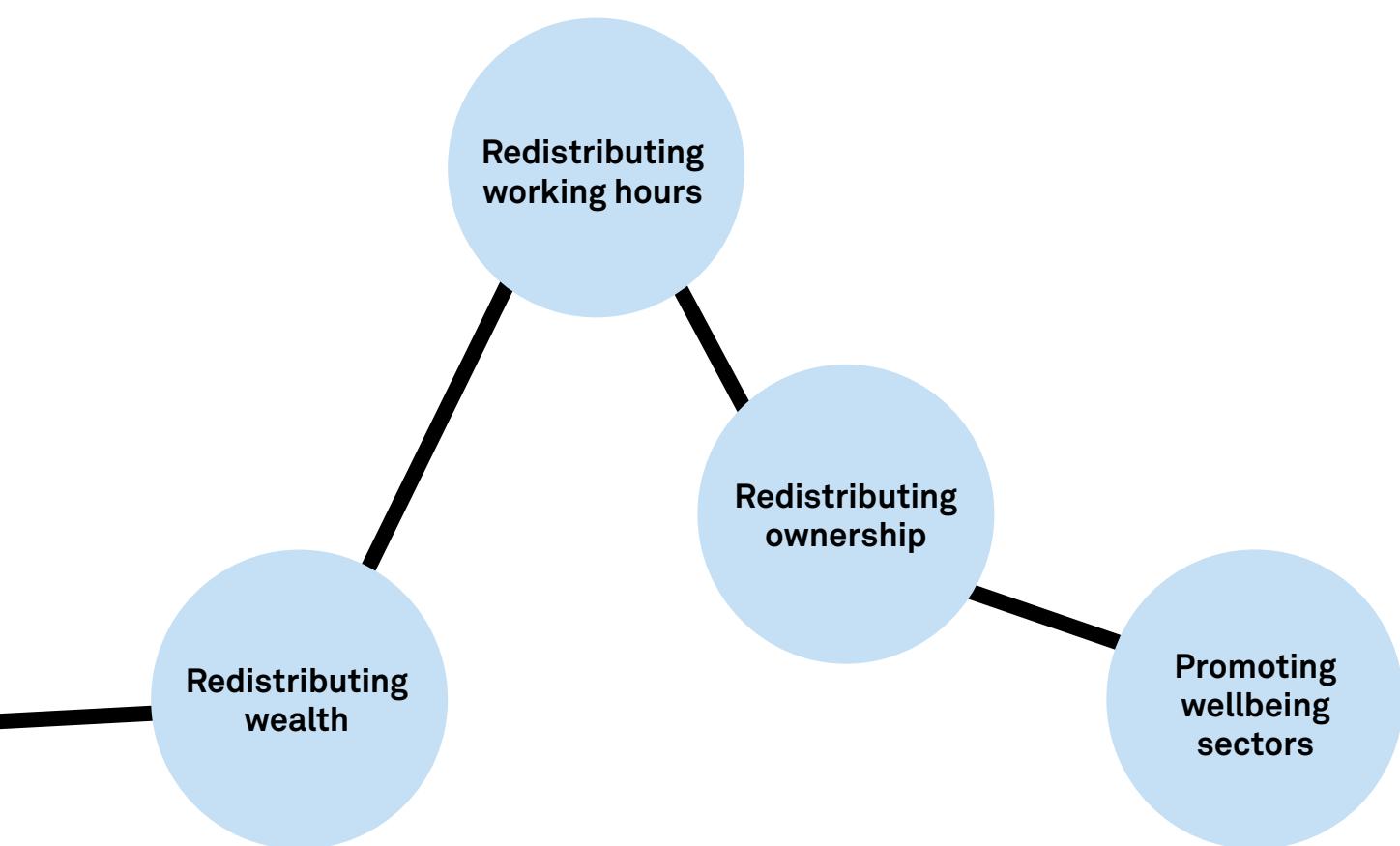


## 4.1 Debating fundamentals

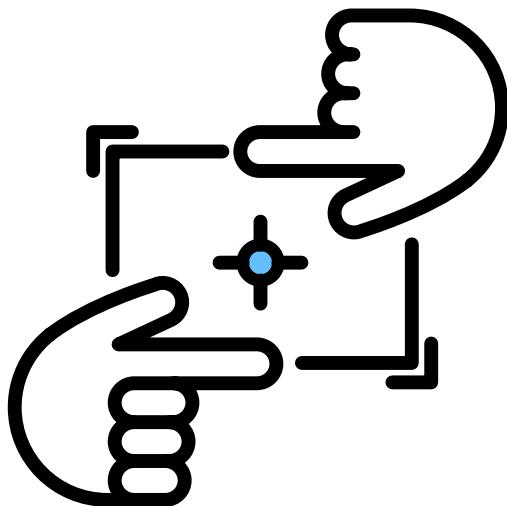
If we don't see the problem clearly, our responses will miss the mark. If we misdiagnose the condition, we will prescribe the wrong medicine. We must free ourselves from past-thinking and success stories, because the current paradigm does not lend itself to meaningful comparisons. We need to ignite a public debate that does not merely fluctuate within the usual pre-approved frequencies but questions the very foundations of our obsolete narrative on growth and jobs through a bottom-up process, including decision makers, civil society representatives, trade unionists and activists to construct a new narrative about the purpose of our economy. At the heart of this endeavour must be the mission to reframe the goals of our system.



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## 4.2 Reframe the core policy goals



At the heart of this reframing must be the prioritising of larger goals such as our collective wellbeing. This is by no means a new idea and is firmly anchored in the treaties and declarations that form the basis of our current institutions. For instance, the Treaty on the European Union, Article 3.1 states that “the Union’s aim is to promote peace, its values and the wellbeing of its peoples.”<sup>46</sup>

The pursuit of economic growth was never conceived as a goal in and of itself but as a means of improving human wellbeing and welfare. If the current orthodoxy no longer serves the greater good of the greater bulk of people, then it is no longer fit for purpose. Our policies need to be reoriented to what an economy should deliver: socially and environmentally sustainable work, health and wellbeing, fairness, equitable distribution of wealth and environmental protection. This is only possible when we sufficiently downsize our production and consumption, especially the most damaging and unnecessary forms of production and consumption. Obviously, we need absolute reductions of society’s material extraction and waste generation. But this will

not be across the board. Socially vital sectors will be allowed to grow.

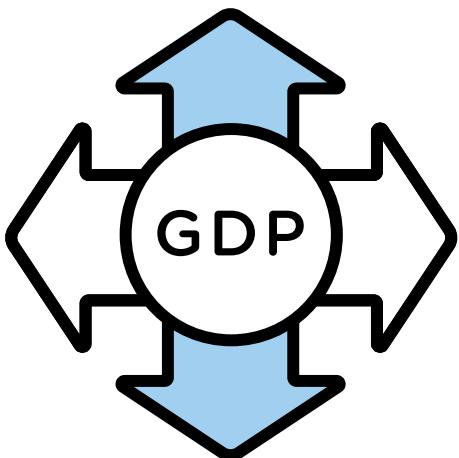
Instead of maximising wealth and creating “jobs”, a post-coronavirus economy will strive to safeguard everyone’s wellbeing, especially those of the workers and the jobless who have been most hurt by the current system. The new system will aim to strengthen and protect workers’ rights, job security and income. It promotes the creation of jobs that are essential for the functioning and welfare of our societies, people’s wellbeing and nature. It will strive for work policies that promote equality and that eradicate all forms of discrimination (gender, sex, class, age, etc.).

There is another way which appears directly antagonistic to the current approach of “work at all costs”. The UK’s Green Party proposed to make leisure the primary policy goal in order to allow people “the time to have a family life, relax, and pursue the things they care about”.<sup>100</sup> Now that sounds more like what Keynes had in mind almost a century ago.

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<sup>46</sup> 100. Walker, 2018

## 4.3 Moving beyond GDP



We must start viewing work and GDP growth as simply means to an end, that end being human wellbeing. We must also acknowledge the severe limitations of GDP as a measure of prosperity and welfare. The OECD itself recognises that GDP “measures income, but not equality, it measures growth, but not destruction, and it ignores values like social cohesion and the environment”.<sup>101</sup>

If we are to measure up to these broader social and environmental goals, we must find effective and accurate ways of measuring them. We need holistic indicators that measure progress towards human and ecological health and wellbeing.

These include social indicators such as housing conditions, job quality, income and gender equality; and quality of life factors like health, knowledge and skills; and subjective wellbeing indicators like satisfaction and happiness. Empowerment, engagement and participation in democratic processes are important indicators for social wellbeing as well.<sup>102</sup> Environmental indicators are horizontal and affect most of the other basic areas, such as health, water, food. Environmental measures include ecological,

environmental and climate footprints, as well as the state of nature and biodiversity.<sup>103</sup>

While it would take a report on its own to evaluate the merits of the different alternative indicators that already exist, four things should be noted here. First, such indicators might differ from one region to another and must take into account local circumstances and culture. Second, new indicators must replace, not merely complement, the current goals of GDP growth and jobs in a way that they are not merely ad-hoc measures for social and environmental policy making. Third, no matter what wellbeing indicators will replace GDP, our environmental footprint will need to decline to a point where we no longer have an Earth Overshoot Day.<sup>104</sup> Finally, indicators must be found by means of co-creation through wide public consultation to increase their effectiveness and participation and social acceptance.

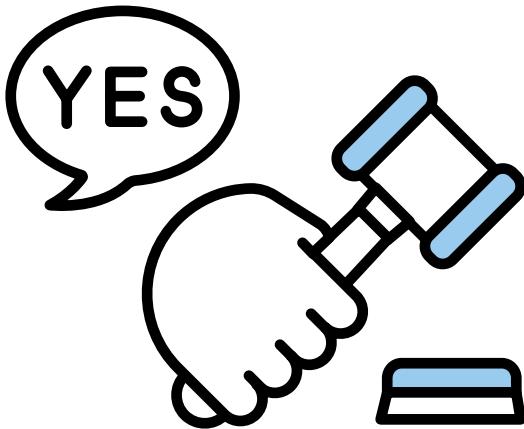
101. OECD Observer, 2005

102. OECD, 2020c

103. EEB, 2019

104. Global Footprint Network, 2020

## 4.4 Embracing policies for transition



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Recession and unemployment is only categorically bad if growth and jobs are categorically good. Historically, economic contraction or stagnant growth has meant human misery: economic polarisation, a sharpening of the divide between the haves and the have-nots. But it doesn't have to be that way. The following will lay out four possible directions for transitional policies that decrease our structural dependence on growth and jobs. For each proposed idea, we will lay out both the economic rationale (why the policy proposal could guarantee the functioning and stability of our economic system) and the moral rationale (why the policy proposal has socially desirable effects). We will also provide case studies to illustrate how these proposals have already been implemented in some national contexts.

### 4.4.1 Redistributing wealth: Universal Basic Income

One important ingredient of the transition is to decouple work from livelihoods. In order to counter the adverse effects of the endless treadmill there needs to be some kind of wealth redistribution. There are many ways to redistribute wealth. Limits on wages and income

(minimum and maximum wages) as well as higher taxes on wealth (solidarity, property and inheritance taxes), on digital capital (such as a robot tax)<sup>105</sup>, on unsustainable consumption and production practices (carbon taxes) could equally contribute to funding welfare reforms. Debt cancellation is another way to redistribute wealth under the assumption that debtors are poor, and the credit givers are rich, excluding those debtors that are in fact rich.

One of the most straightforward ways to redistribute wealth and to decouple work from livelihoods is a “universal basic income” or a “social dividend” (henceforth UBI will refer to these two basic ideas). A UBI is a government programme in which every citizen receives a set amount of money on a regular basis. The amount should be sufficient to cover one's basic needs and universally apply to all citizens in a given territory. It frees work from the pressure of necessity, but, beyond that, people can still choose to engage in income-generating activities.

The economic rationale for a UBI is to stabilise the economy and decrease its structural dependence on GDP growth by giving everyone enough to meet their basic needs. This is quickly becoming a necessity in the new era of permanent stagnation and the increasing obsolescence of human labour. As laid out in Section I, under the current system, unemployment has catastrophic effects for both the individual and society because it means impoverishment for the individual and a drop in demand for the economy without some form of wealth redistribution. A UBI is a means to avoid deflationary tendencies and extreme concentrations of wealth that are destabilising our system.

The moral rationale centres around the fact that the wealth made possible through technology and inventions clearly shouldn't be to the benefit of just a few claiming it as their intellectual property, but instead owes to inventions and progress made throughout human history, and therefore should benefit everyone.

A UBI would also have a positive effect on several other desirable outcomes. First, it would reduce inequality. A UBI is a redistribution of wealth because while all receive equally, the wealthy pay proportionally more taxes to fund it. While there will still be poor people and wealthy people, poverty will no longer entail extreme anxiety and a threat to people's existence. Reduced inequality has many positive effects. Societies with higher inequality generally experience higher insecurity, lower health and happiness levels. In addition, they are less resilient and able to cope with challenges such as climate change. High inequality also leads to a loss of trust and cohesion in society as well as more conflict.<sup>106</sup>

Second, reduced inequality may lead to environmental benefits. Scholars also point out that wealth redistribution, such as through UBI, can lead to the reduction of consumption of scarce natural resources as environmental degradation and income inequality are highly interlinked.<sup>107</sup> More unequal societies tend to experience status anxiety following unsustainable consumption patterns of the rich as social status, happiness and identity are frequently linked to overconsumption.<sup>108</sup>

Third, a UBI could contribute to the provision of fulfilling work. It could, for example, improve the bargaining power of employees by reducing their dependence on salaried work and allow more people to engage in socially beneficial

work that does not generate a financial return. It can also reduce obligations to engage in paid employment (which would then also decrease the incentive for governmental growthmanship in the name of job creation), empower women by granting allowances to individuals and not to households, underwrite education and promote individual autonomy.



### ***When work meets its Finnish***

*The Finnish basic income experiment was launched in 2017 and ran for two years. It was the first UBI experiment to be backed by a national government. During that period, more than 2,000 unemployed people aged 25 to 58 were randomly selected and given a monthly stipend of EUR 560 with no obligation to seek a job and no reduction in their stipend if they accepted one. The results show that participants were happier, and exhibited a higher level of mental wellbeing, confidence and life satisfaction.<sup>109</sup> While it was implemented to see if it encourages people to take up low-paid or temporary jobs without losing employment benefits, the employment effects were rather small and different depending on the social context. For example, employment rates improved for families with children. Participants themselves experienced a greater sense of autonomy and more opportunities to engage in voluntary activities and care.*

106. Pickett & Wilkinson, 2010.

107. Wiedmann et al., 2020

108. Walasek & Brown, 2015

109. Kela, 2020

## 4.4.2 Redistributing working hours: Working time reduction

A second ingredient for transition is to decouple work from the 40-hour working week. Working time reduction (henceforth WTR) refers to collectively agreed reduction of the time spent in employment. There are different conceptions of how WTR can be implemented. For example, different volumes of working times (shorter working lives, months, weeks or days such as 21-hour working week or 6-hour working day, shorter working life such as earlier retirement age) or different levels (national, regional, sectoral, company-wide or on an individual level).

Importantly, WTR must be a collective agreement, with no cut in pay and with compensatory staff recruitment where necessary. It should not be confused with precarious and marginal forms of employment (cf. Section 2.2). Further, shorter working days would reduce daily pressure on both genders which could lead to a higher uptake of caring and household activities by men. WTR could be financed by re-orienting social protection schemes, pay cuts (and maximum wages) for high earners, as well as contributions by the employers, or a combination of these.<sup>110 111</sup> While there is no one-size-fits-all solution for WTR, it is necessary to collectively decide and start testing and implementing reductions, for instance by negotiating legally binding sector-specific agreements between employers and labour unions.

The economic rationale behind WTR is to share work more equally in society and hence to avoid the spiral of a rapid concentration of wealth, deflation, bankruptcies, and so on. Rather than being forced to lay off workers as a result of

productivity increases, WTR would offer a way out of the endless treadmill by addressing its maldistribution. For instance, half a million jobs could be created in the UK public sector alone if the four-day working week were to become the norm.<sup>112</sup> WTR is a straight-forward answer to stabilise our economic system in the face of the fact that fewer and fewer working hours are needed. Those currently overworked would be encouraged to work less, which leaves them with more leisure while freeing up work for the rest of society.

The moral rationale for WTR stems from liberating time for people to engage in self-determined activities, similar to a UBI. First of all, reduced working time frees people to pursue leisure and creative activities, redistribute unpaid care activities or increase political participation which would then have positive effects on democracy. As a result of the pandemic, many UK businesses switched to four-day working weeks and early results show that both businesses and the vast majority of people are favourable to making this the new normal.

Secondly, WTR can reduce environmental pressures by reducing material output through less production and giving people more time to make environmentally sustainable choices. Regarding the ecological implications, there is empirical evidence supporting the theoretical arguments that working time reductions could reduce environmental impacts. For example, by analysing 29 high-income OECD countries, one study found that a 1% decrease in working hours can lower energy, environmental and carbon footprints by around 1.2%.<sup>113 114</sup> Another study linked a 1% decrease in working hours to a 0.7 to 1.5% decrease in greenhouse gas emissions.<sup>115</sup>

110. Parrique, 2019

111. ETUI, 2017

112. Elliot, 2020

113. Knight, Rosa & Schor, 2013

114. For more studies please see e.g. Pullinger, 2014

115. Nässén & Larsson, 2015

Thirdly, WTR has also been found to have positive effects on health and wellbeing. Studying the impact of the French 35-hour working week, Lepinteur (2016) estimated an increase in wellbeing equivalent to a 20% pay rise.<sup>116</sup> In a meta analysis, long working hours were found to be associated with poor health and chronic stress leading to sleep disturbance, occupational injury and other adverse effects.<sup>117</sup>

Fourthly, WTR has the potential to lead to a more equal society. Job sharing should not only redistribute available paid jobs but also the work that is currently done without economic rewards such as care work that disproportionately falls on women and other vulnerable groups. A WTR could, for example, lead to a better redistribution of work and enable women to take up jobs or release the pressure of those in employment.

#### 4.4.3 Redistributing ownership: Democracy at work

A third ingredient for transition is to decouple work from the concept of ownership and its standard forms of organisation. Economic democracy or democracy at work (henceforth DAW) is a concept that aims to enhance “workers” voice and democratic oversight of their work, their organisations (whether publicly or privately owned), and the economy at large.<sup>120</sup> The central idea is to shift decision-making power from corporate managers and corporate shareholders to a larger group of stakeholders that includes mainly workers, but also potentially customers, suppliers, neighbours and the broader public.

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Different forms of DAW exist but all aim to increase workers’ power and control over processes and decisions, general working conditions and environment, as well as the mission, goals and operational direction of the enterprise and the economy itself.<sup>121</sup> Examples include cooperatives (such as agricultural, housing or energy cooperatives), work self-directed enterprises, worker-managed enterprises,<sup>122</sup> worker-owned enterprises, as well as simply a higher representation of workers on the boards and organization and strong union representation.



#### Saving the day in Gothenburg

*The municipality of Gothenburg in Sweden introduced the six-hour working day in the Swedish retirement home Svartedalen for a period of 24 months. Around 68 nurses changed from 8-hour to 6-hour days, on the same salary, and 17 new workers were hired. A final evaluation after the end of the project revealed significant improvements to the health of staff with e.g. lower levels of blood pressure and reduction of sick leave days. The quality of service improved too. Nurses had more time to engage with residents such as walking, singing and dancing resulting in an increase of positive experiences by the inhabitants. The experiment cost around SEK 12.5 million but the cost fell to around SEK 6.5 million when unemployment benefits, that were not claimed, were deducted.<sup>118</sup>*

*“Not everything is about making things cheaper and more efficient, but about making them better,” said Daniel Bernmar who is the leader of the Left party group on Gothenburg city council and the initiator of the experiment.<sup>119</sup>*

116. Lepinteur, 2016

117. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6617405/>

118. ETUI, 2017

119. Crouch, 2015

120. De Spiegelaere et al., 2019

121. Ibid.

122. Work self-directed enterprises describe companies that are owned and operated by the workers.

The economic rationale for DAW mainly stems from its effects on a more equal society and hence economic stability. In contrast to the shareholder model, democratic structures tend to discourage risk-taking behaviour and contribute to long-term economically sound decisions impacting overall economic stability. Cooperatives have been shown to be more resilient in times of financial crises.<sup>123</sup>

The moral rationale is primarily based on the value of democracy in our society and its positive effects on equality, social stability and sustainability. Democracy is a guiding principle of the European Union and the recent rise of right-wing populism in Europe and the world sparked concerns about the stability of our political democracy, but economic democracy has received much less attention. Many employees feel alienated at work and most corporations and enterprises are ruled by boards of employers and directors of boards selected by shareholders. They usually take the decisions on the strategic directions, what is being produced, how to produce, where to produce with little or no say by the employees. Richard Wolff points to the paradox arguing that "if you actually believe in democracy as the way to do things, then you are in a society where you are spending most of your time, most of your living hours, in an undemocratic, non-democratic space."<sup>124</sup>

Secondly, DAW is an instrument to reduce inequality. It is hardly surprising that cooperative structures lead to much more equal outcomes. Imagine everyone in your workplace would have a say in the payment structure. Would you choose to pay your boss 147 times what you get? (cf. Section 2.1). In most cooperatives, the pay ratio is one to one, or sometimes it is a bit higher. For example, in one of the biggest cooperatives in the world, the Mondragon cooperative (see case study box) in the Basque country of Spain, which

has more than 70,000 workers, the pay ratio is one to six. Higher workers participation tends to have an impact on inequality as "it reduces management and shareholder greed and ensures higher (and equal) wages".<sup>125</sup>

Thirdly, democratic workplaces have a number of social benefits besides their effect on reducing inequality outlined above. According to a study by the European Social Survey in 2016, the higher involvement of workers in decision-making and in the organisation correlates with a higher level of life satisfaction.<sup>126</sup> Other studies confirm a mutually reinforcing relationship between democracy at work and political democracy, showing that employees with greater autonomy at work tend to vote more, and are more interested and active in politics.<sup>127 128</sup>

Finally, research confirms that more democratic workplaces are more sustainable because a higher say and participation of workers leads to an increased implementation of sustainable policies for the environment, workers themselves as well as society. For example, sustainability ratings comparing 607 of the largest European companies between 2017-2018, companies with employees represented in the board score higher on environmental policies than companies with no employee board representation.<sup>129</sup>

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123. La Salle, 2011

124. Upstream Podcast, 2018

125. Alvaredo et al., 2018

126. ESS, 2016

127. Budd, Lamare & Timming, 2018

128. Timming & Summers, 2018

129. Vigeo Eiris, 2018

130. Mondragon Assembly, 2020



### *The profits of cooperation*

*Mondragon, based in Spain, consists of 102 individual cooperatives united in a federation called the Mondragon Cooperative Corporation. With more than 74,000 people employed, it is organised as worker-owned industrial enterprises.<sup>130</sup> It operates in multiple sectors, competes on the international market and owns its own bank, university, social welfare agency, several business incubators, and a supermarket chain.*

*The governance structure is similar to that of a capitalist enterprise, but the focus is on benefits for the members and not shareholders. After the financial crisis, one of the cooperatives went bankrupt, leaving around 1,300 people without a job. The principle idea of connectedness among all members enabled the relocation of those workers to other cooperatives or qualified them for the cooperatives' social benefit system, leaving only 60 employees unplaced.<sup>131</sup>*

## **4.4.4 Promoting wellbeing sectors: The job guarantee**

A fourth ingredient for transition relates to decoupling work from environmental degradation. One approach to this is the job guarantee (henceforth JG), which is a state-funded locally administered programme that offers anyone willing and able to work a community job at a socially inclusive minimum wage.<sup>132</sup>

A JG can be designed in different ways, but there are several common aspects. The JG is for all adults who are ready, willing and able to work. No one is forced to work but jobs are available to anyone seeking one. This kind of scheme goes against the notion of someone being “unemployable” by targeting jobs/activities that fit the skills and knowledge of the individual as well as the needs of the community. Furthermore, it does not replace welfare schemes for people who are unable or unsuitable for work.<sup>133</sup> JG schemes aim to be managed locally and democratically which complements the democratisation of the workplace (cf. Section 4.4.3). A JG differs from other public employment schemes (such as the Irish community employment programme)<sup>134</sup> because it is permanent and not temporary.<sup>135</sup>

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This policy proposal is rooted in Modern Money Theory (MMT) which suggests that governments can create money by using fiscal policy. It views the governments as currency issuers. A JG could then be financed by the creation of cash as long as spending does not lead to inflation. As this has quite drastic implications, a number of economists have investigated options to finance a JG

131. Bamburg, 2017

132. Landwehr, 2020

133. Wray, 2007

134. Government of Ireland, 2020

135. Parrique, 2009

136. Ibid.

without relying on the adoption of MMT, such as through savings from unemployment benefits and schemes, taxes and reductions of private sector subsidies (for a concrete example see case study to the right).

The economic rationale for a JG is that it would eliminate involuntary unemployment, maintain price stability and decouple employment from economic growth.<sup>136</sup> In contrast to the UBI proposal, the wage and benefit package of the JG would act as a floor for wages throughout the economy, thereby avoiding the downward spiral caused by the end of growth.

The moral rationale for a JG is the shift to the idea that work is a right, rather than a duty. Article 23.3 of the UN Declaration of Human Rights states that “everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.” With the state acting as employer of last resort, a JG also seeks to introduce a democratic element in the labour market from which further benefits result.

A JG scheme could, therefore, support and expand wellbeing sectors, such as art, care, culture or the provision and maintenance of ecosystem services, that are not profitable from a market perspective. It can further assign work to the provision of public goods and services (commons sector) as well as universal basic services that are not provided by the private sector.<sup>137</sup>

Due to public control, a JG can more easily provide the other conditions for work in a post-coronavirus Europe: a socially inclusive minimum wage sufficient to fulfill basic needs, decent working hours as well as lower and shared work (cf. previous section). It could also recognise care work which is largely dismissed in our current economic structure and modes of work.



### **Best jobs forever**

“Territoires zero chômeur de longue durée (TZCLD)” (*Zero long-term unemployment territories*) is a job guarantee experiment in France initiated in 2016 by the nonprofit association All Together in Dignity (ATD Quart Monde).<sup>138</sup> The aim was to offer anyone denied employment in a local community a permanent job based on their skills. To date, 1,100 permanent jobs were created through the scheme, of which nearly 40% were green jobs, 36% aimed to increase solidarity and social integration and the remaining quarter to support the local economy (as of December 2018). Jobs include cleaning up construction sites, delivering groceries, waste sorting for recycling, caring activities such as cleaners, kitchen help over managing of local museums, repair and maintenance of goods, as well as newly created positions, such as social relationship facilitators that aim to foster intergenerational exchange within.<sup>139</sup>

137. FOEE, 2018

138. TZCLD, 2018

139. Parrigue, 2009

## Conclusions for Section IV

The section described a broad roadmap for transition. Some of the ingredients for transition are complementary, while others (such as UBI and the job guarantee) might be an either or choice depending on the specific context. Given the conclusions from the previous chapters, it appears urgent for policy makers to pay more attention to these policies for transition. The importance of further exploring these options could not be overstated as we desperately need fresh thinking to make *work work* for the 21st century.

# Conclusion

The report has shown that we do have a choice: jobs and growth are not the only way to get out of this mess. In fact, it will just plunge us in a catastrophic new mess. We can step off the endless treadmill by decoupling work from livelihoods, from the standard 40-hours week, from standard forms of company ownership and from environmental degradation.

What would it mean to stop chasing these goals? It would mean less work and less useless stuff. But it could mean more useful work and more useful stuff. Job creation would no longer be an end in itself. Jobs in this post-coronavirus economic vision are needed because there is important or fulfilling work to be done, not because people are looking for jobs in order to earn money to survive. The transition to work in a post-coronavirus economy as we have described it here would enable us to focus on the things that really matter: more care work, more artists, more teachers and so on. More of the jobs that are essential to the functioning and flourishing of the real economy, rather than the economy depicted through the lens of stock market value.

For workers, it would mean more security and autonomy, essentially more control over their lives. Just because the economy is not growing that does not mean that we cannot ensure that everyone's needs are met. It would mean more time to spend with our loved ones and on things we love. All the things we were too busy to do during the week and too exhausted to do at the weekend.

For our environment it would mean less pressure, less waste, and a real chance to decarbonise the economy. It would mean more energy being channelled into work that regenerates our ecosystems and less consumption that destroys it. It would mean a real chance for young people and future generations to inhabit a planet that is not wrecked by a relentless pursuit of more and more.

The analysis presented in this report may seem radical, politically unfeasible or at least far outside the political mainstream. However, the current crisis presents us with a radical problem that requires radical solutions. We have a unique opportunity to learn from the devastating mistakes of the past and the present. Let's not waste it.

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